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National Finance and Public Money

✦ ✦ ✦

Settling the Money Question

✦ ✦ ✦

overnment Ownership of Railroads and Telegraphs

BY

J. M. HORNER

AND

PERSONAL HISTORY OF THE AUTHOR.

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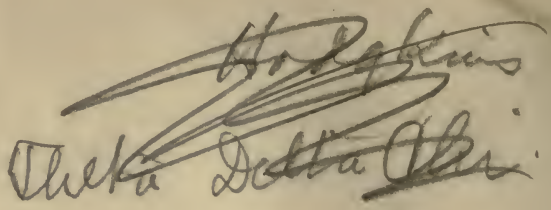

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THE AUTHOR AT 76 YEARS OF AGE.

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NATIONAL FINANCE AND PUBLIC MONEY.

Within these pages may be found a financial machine owned by the people and by it they will produce, own and loan *public money,* basing it upon Government and State bonds, gold and silver bullion and real estate.

The material of this money is gold, silver and paper. Its *standard* of *value* is United States Gold Coin.

All money made by this machine is a full legal tender for all money purposes, public and private, and its value is fixed by law to that of the standard up to its full face value.

By this machine the people will inaugurate bimetallism, without the consent, or assistance of other nations.

By it they will produce a money that is safe, sound and flexible, all on a parity, always enough, never too much, and at an approximate equitable interest of three per cent. per annum.

All money produced by this machine and loaned by it to the people, is all redeemed by the *borrower or his property,* the same as the National Bank Note is now redeemed.

This machine will produce a revenue from a new source for the use of the Government, variously estimated from 60 million to 200 million dollars annually, without expense to the Government for collecting. A Government Banking Department will be the people's agent for running this financial machine for them.

This machine is a system of national finance and currency and if put in motion, would remove from the business world; most, if not all the evils arising from our present inadequate, iron clad, *private* money systems.

The suffering and loss, arising from a depreciated currency, insufficient supply, imperfect distribution and money panics, in times past are beyond computing and are the bitter fruits, that have fallen to civilized man from tradition and inheritance, from the feudal ages. All of which this financial machine would remove.

To read carefully the following pages will show how all the

above desirable things and many more can be done in a constitutional way.

Dedicated to the ruling and producing classes of all nations and especially to those of my own country, the United States of North America.

"Come let us reason together," "Produce your cause, saith the Lord; Bring forth your strong reasons, saith the King of Jacob."

"Prove all things, hold fast that which is good."

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PREFACE.

The mediums of exchange between men since coins and tokens were adopted have been established, and to a large extent controlled by a limited number of individuals in every community, such persons have become a class who live by the manipulation of money in its various forms. All of the people who live by such manipulation may be fairly classed as the money changers. Although it is their habit to assume various titles such as bankers, brokers, financiers, capitalists and others.

This class produce nothing and all that they receive is taken from the people who produce the wealth of the world.

The diffusion of intelligence among the American people during the last half century, has been the cause of directing the attention of a much greater proportion of our citizens to the subject of finance and money than ever before. As a result it is seen that all money systems are at fault. The masses produce wealth and the money changers take nearly all of it that is not absolutely necessary to maintain the physical existence of the producers.

That such a condition could exist when but few were educated and the masses were taught only to obey, is not surprising; but that a country like the United States with the result of free and even compulsory education, so generally manifest among its people, should remain under the yoke of the class would indeed be anomalous.

The frequently recurring conditions of disaster and panic arising from the imperfect systems of money now prevailing throughout the world have concentrated upon the subject, the attention of great numbers of people who have heretofore regarded it as something mysterious; comprehended only by the money changing class; but the people at large have suffered their results.

As in all great awakenings, the first symptoms are apparent in a general feeling of dissatisfaction with the methods in use,

this feeling is participated in by all classes who are not dependent upon the manipulation of money, and is shown by the numerous propositions for change, all looking to the inauguration of a system whereby the producer of wealth may retain his fair proportion of the products.

While much has been published and numerous methods presented; no system has been advocated which would result in giving to the people a currency to facilitate the production and distribution of wealth, which would have at all times the same value as United States gold coin, and be so elastic that it could always be obtained for the uses of agriculture, manufacture and commerce and never in excessive supply.

It is the object of the following pages to present for the consideration of the American people a system which will produce these results, which it is believed will remedy the evils of existing methods, and enable any person having such property as will be adequate security to the Government to obtain all the money which he can profitably utilize, by the payment of an amount of interest which he can afford to pay, and further enable him when he can no longer make profitable use of the money borrowed, to redeem with it the securities deposited and enable any one to lend to the Government any of this money which he may have on hand not immediately required for use, and receive therefore a certificate of deposit payable on demand with interest.

It is hoped that candid examination will convince the reader that no unsuperable objection exists to the realization of the ends desired, and while it will doubtless be necessary to amend and improve the details of management, there is enough given in the following work to show that the principles advocated are just, and that the inauguration of this reform is practicable.

It should be understood that there is no thought of a socialistic distribution of property, no thought of furnishing money without adequate security; but that money which will always be worth par in gold coin, is to be made available at a low and reasonable rate of interest to all who can furnish the required security without the intervention of the money changers, that the poor man with need for a small sum may procure that sum as cheaply, as the millionaire needing more millions, and that this boon is to reach to the remotest hamlet in the country.

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CHAPTER I.

THE MONEY QUESTION.

The strong feeling of dissatisfaction with existing money systems which is so extensively manifested by the more intelligent and better educated people of all civilized communities, is from time to time emphasized by the utterances of leading men who clearly indicated the reasons for such dissatisfaction, and who set forth more or less forcibly and correctly the directions in which reforms in financial methods are desirable.

It is not probable that men like Jefferson, Franklin and others prominent in the early days of our Republic, or Calhoun later and Peter Cooper; Secretary Windom and others of more recent date would fail to understand and appreciate the faults that produce the disastrous results to which whole communities are periodically subjected by convulsions in the money market. They see plainly that under existing conditions and methods of finance such disasters are enevitable.

They seem also to see, in a general way, what is lacking, and to be in a sense groping for reforms which shall prevent their recurrence.

In the opinion of Thomas Jefferson, the Constitution has made this subject clear, plain and positive. He says: Bank paper *must be suppressed* and the *circulation must be restored* to the nation to whom it belongs.

The great delusion and snare of the banks is "a specie convertible paper, "which they can never convert when the specie is most wanted." On this point Benjamin Franklin declares that a national paper money well founded has great advantages over gold and silver, being light and easy to handle in large sums, and not likely to have its volume reduced by demands for exportation." "On the whole" he says, "no method has hitherto been discovered to establish a medium of trade equal in all its advantages to bills of credit made a general legal tender."

John C. Calhoun in his speech in Congress in 1838 upon the Treasury Bill, declares that, "after bestowing the best reflection I can give the subject, that no convertible paper is suitable for a currency. It is the form of credit paper in private transactions between man and man, but not for a standard of value, to perform exchanges generally, which constitutes the appropriate functions of currency or money." No one can doubt but that the Government credit is better than any bank—more stable and more safe. * * * Bank paper is cheap to those who make it; but dear, very dear, to those who use it.

On the other hand, the credit of the Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people, and would, of course, add nothing to the cost of production, which would give every branch of our industries—agriculture, commerce and manufactures—as far as its circulation might extend, great advantages both at home and abroad; * * * and I now undertake to affirm, and without the least fear that I can be answered, that a paper issued by Government, with the simple promise to receive it for all its dues, leaving its creditors to take it, or gold and silver, at their option, would to the extent it could circulate, form a perfect paper circulation which could not be abused by the Government; that it would be as uniform in value as the metals themselves.

And I shall be able to prove that it is within the Constitution and powers of Congress to use such a paper in the management of its finances, according to the most rigid rule of construing the Constitution.

Secretary Windom standing in the presence of as intelligent an audience as could be gathered with the unseen hand of death suspended above him declared almost with his dying words that "the ideal financial system would be one that should furnish just enough absolutely sound currency to meet the legitimate wants of trade, and have enough elasticity of volume to adjust itself to the varying necessities of the people. Could such a medium be secured, the grave commercial disasters which threaten our future might be averted."

We claim this public money system will fill every requirment of the secretary.

The following is the second plank in the Platform of the In-

dependent Party, adopted by the National Convention at Indianapolis, May 17th, 1876:

"We believe that the United States notes issued directly by the Government and convertable on demand into United States obligations bearing an equitable rate of interest (not exceeding one cent a day on each one hundred dollars) and interchangeable with United States notes at par will afford the best circulating medium ever devised; such United States notes should be a full legal tender for all purposes, except for the payment of such obligations as are by existing contracts expressly made payable in coin. And we hold that it is the duty of the Government to provide such a circulating medium, and we insist in the language of Thomas Jefferson: "That bank paper must be suppressed and the circulation restored to the nation to whom it belongs."

The following is a plank of the Platform of The National Party:

"It is the exclusive function of the general Government to coin money, and regulate its value. All bank issues designed to circulate as money should be suppressed. The circulating medium, whether of metal or of paper should be issued by Government, and made a full legal tender for all debts, duties and taxes in the United States at its stamped value."

The fourth plank of the Democratic Convention of Ohio some years ago:

"The issue by the general Government alone of all circulating medium, whether paper or metallic."

Two planks of the "National Currency Party" of California, 1879.

Resolved, That we demand that the paper currency shall be distributed directly to the people, on their securities, to be named by Congress, as, United States bonds, bullion and upon improved real estate at half its value, at a tax of three per cent. per annum.

Resolved, That the form of the paper money issue of the Government shall be of the same significance as coined money, not a promise to pay; but a bill receivable for all Government dues and a legal tender without limit.

Farmers' Alliance Platform—Two planks: They demand

"The abolition of the National Banks" and "Government loans upon land and upon non-perishable farm products."

The above and scores of other prominent individuals and organized bodies of men demand *Public Money*; and we maintain the money question never can be justly and permanently settled in any other way.

Where the Profits Go!

The New York Weekly Atlas says: "The First National Bank in New York has declared a dividend of 120 per cent. on a capital of $500,000, for the year 1879, after adding $500,000 to its surplus, and leaving $267,700.84 undivided to profit and loss account. Such is the astounding statement in the newspapers. It is difficult to understand how such enormous profits could have been made legitimately in any business during the unprosperous year of 1879, if true, it is very evident that many firms and individuals must have lost their earnings and accumulations to have enabled the stockholders in this bank to add so much to theirs. It could not have been true that all those doing business with it and through it, made money too.

From whom was this wealth taken? This, we think is a very pertinent question, and if we will stop a moment and consider it, the answer is easy enough. Who produce wealth? Labor and the soil are the only sources of wealth in the world. Labor on the farm, in the mine or factory adds to the wealth of the nation and only that. Because a merchant buys 1,000,000 bushels of wheat and puts it in his storehouse and holds it until it doubles in price, the country is no richer. The difference is made up from the pockets of those who use the flour. But the lesson of this immense increase in money lies in the fact that, while many have labored for a bare existence the money kings have drawn upon the sources of wealth and piled it up in their coffers. Thus the rich are growing richer and the poor poorer, by the present system of unequal distribution. The prevailing idea of giving accumulated wealth all the advantages and putting all the burdens on the producers thereof, must be overthrown, else we shall soon see a system and state of society similar to that in France before the great revolution, and possibly with as terrible results.

The Hon. S. S. Marshall of Illinois, in a speech in Congress, July 21, 1868, made the following statement: "An association of gentlemen," in an Eastern State raised $300,000 in currency. They went to the office of the Register of the Treasury, and exchanged their currency for $300,000 in six per cent., gold bearing bonds. They then went to the office of the Comptroller of the currency, in the same building, organized a National Bank, deposited their $300,000 in bonds, and received for their bank $270,000 in National currency. They had let the Government have $30,000 in currency more than they received for banking purposes, and had on deposit $300,000 on which they received as interest from the Government $18,000 a year in gold (and exempt from taxation). This was pretty good financiering for these bankers to receive $18,000 a year in gold on the $300,000 in currency which they had thus loaned to the Government. But this is not the whole story. They had their bank made a public depository. They soon discovered that there was scarcely ever less than $1,000,000 of Government money deposited within their vaults. They did not like to see this vast sum lie idle. They therefore, took $1,000,000 of this Government money, and bought $1,000,000 of five-twenties with it. In other words they took $1,000,000 of the Government's own money to the Government, and deposited the bonds received in the vaults of their bank, on which they received from the same Government $60,000 a year in gold, as interest. Thus for the $30,000 in currency, which they originally loaned the Government, they received annually, in all $78,000 in gold

Banking is a most profitable business and all the profits come out of the people. Judging by the following illustration it is no wonder that the nine thousand men who control the banking business desire to make it perpetual. Hon. Wm. H. English of Indianapolis, was president of the First National Bank of Indianapolis for fourteen years, and on retiring he says: "I congratulate the officers and stockholders of our enterprise. The bank has been in operation fourteen years under my control with a capital of $500,000. In the meantime it has voluntarily returned $500,000 of capital stock back to the stockholders, besides paying to them in dividends $1,496,250 a part of which was in gold and I now turn it over to you, with capital unimpaired and $327,000 of the undivided earnings on hand. To

this may be added the premiums on United States bonds at present prices, amounting to $36,000 besides a large amount for lost or destroyed bills." Do you think it any wonder that President Pullen's address before the National Bankers' Association at St. Louis the other day was, as the P. I. says: "Almost a prayer." When one bank in an interior city makes the above showing, is it any wonder that they desire to perpetuate the system so full of profit to themselves. The bankers are the boys, and the people are the frogs in the story of the boys stoning the frogs. It was fun for the boys but death to the poor frogs. So this National banking system in operation is fun for the bankers but death to the people.

James A. Garfield said: "Whoever controls the volume of money of any country is absolute master of all the industries and commerce."

Chauncy M. Depew said: "Fifty men in these United States have it in their power by reason of the wealth—which they control, to come together within twenty-four hours and arrive at an understanding by which every wheel of trade and commerce may be stopped from revolving, every avenue of trade blocked, every electric key struck dumb. Those fifty men can paralize the whole country for they can control the circulation of the currency and create panic whenever they will." They have already created a panic that we are not over yet, and now to intimidate voters they threaten another, "such as was not from the beginning," if we refuse to obey their commands. Public money would not only prevent the above unjust accumulation of wealth and the unwonton exercise of power as above hinted at, which is so distasteful to the American people; but it would prevent comparatively all financial evils that afflicts and hampers production and business by being compelled as they now are to use *exclusively private money*. The enactment of the following bill would give us *Public Money* and justly settle the money question, as the Government Banking Department would be the money power, and all the people its stockholders.

The division of the American people into political parties has not proved a complete division upon the subject of finance and currency, for it is observed that all parties have devoted more or less consideration to the expression of dissatisfaction of present methods of finance and currency. While it is plain that the

desire for improved methods is intense, no system has been elaborated which has commanded general approval.

The difficulty has been, that of all the schemes brought forward and advocated none have shown how a currency could be provided for the requirements of agriculture, manufacture and commerce, which should be solidly founded upon a gold basis, and still be sufficiently elastic to stretch for all emergencies and contract when not required without depreciation or abatement of its purchasing power. If it can be shown that a currency of that nature may be safely, easily and economically produced and circulated and that in addition to the above good qualities it may be made available on reasonable terms to all who can furnish adequate security, such showing will render a service, not to the American people alone, but to the whole civilized world.

In the full belief that this can be done these pages have been written, with the hope of presenting in a practical form, by which so desirable a result may be attained.

In offering for consideration, the following bill, it is not claimed that every detail is perfect, but there can be no reasonable doubt that if a law in substance like the one here advocated shall be enacted, the result will be the inauguration of a new era in finance whereby the agriculture, the manufactures and the commerce of this fair land will attain prosperity to a degree far, far in advance of anything shown in the history of man. It will enable the producers of wealth to devote their energies to such production untrammelled by the embarrassments incident to the efforts of the money changers to corral the product. It will elevate the producer to the pinnacle of respect now disputed by the claws of the money changing tigers. And will enable the American citizen to quote truly the saying that ours is a "Government of the people, by the people, for the people."

The human mind is apt to enter upon the consideration of proposed change of methods, hampered by the beliefs and prejudice which have come from long use to be accepted as truths without enquiry. The reader is earnestly requested to free his mind from any idea, that in proposing a new financial system, a scheme is introduced for the purpose of getting something for nothing, and that disorganization of business and disruption of society will follow.

If gold is to remain the standard of value throughout the civilized world, as it should and probably will, the currency proposed in the following bill based upon gold value is adequate guarantee that such currency will always be of the same value.

CHAPTER II.

AN ACT

To organize a Government Banking Department and to authorize its officers to make, circulate and redeem money.

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled:

SECTION 1. That a Government Banking Department is hereby authorized to be organized which shall consist of a Parent Bank to be located at the seat of Government with one or more branches in each State and Territory and its officers are hereby authorized to make, circulate and redeem money in manner hereafter set forth; which money shall be receivable in payment of all taxes, duties, imports, excise, debts and demand of every kind, due to the Government and for all salaries, debts and demands owing by the Government to individuals, corporations and associations within the United States, and shall also be lawful money and a legal tender in payment of all debts, public and private within the United States, except as otherwise provided by written contract and signed by the parties making the contract before the enactment of this bill.

SECTION 2. The standard of value of this money shall be the United States gold coin, and all money circulated by virtue of this Act, its legal value is hereby fixed to that of the standard according to the face value of each piece.

These money measures of value shall be made of gold, silver and paper.

The gold measures of value shall be five dollars, ten dollars and twenty dollars.

The silver measures of value shall be ten cents, twenty-five cents, fifty cents and one dollar, and at a ratio of 16 to 1 of gold.

The paper measures of value shall be one dollar, three dollars, five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, one thousand dollars, and ten thousand dollars.

1. Each denomination shall be consecutively numbered.

2. They shall be issued only by the way of a loan upon real estate, or such other property as this Act shall provide.

3. They shall be signed by the President of the bank loaning them and countersigned by its Cashier, anf stamped with the bank stamp, but not until needed for loaning.

4. A record shall be kept of the specific notes issued upon and in respect of each particular loan (loans being numbered), so that it may be known when and to whom any particular note was first issued.

5. Where notes are returned in re-payment of a loan or any part thereof they shall be at once cancelled and forwarded to the parent bank and shall thereafter at frequent periods be destroyed in the presence of a majority of the Cabinet and certified by the United States Treasurer.

Section 3. The branch bank directors shall loan money to the Government, to the States and to the people, upon securities which shall consist of Government and State bonds at 90 per cent. of their gold market value, and on gold and silver bullion at 90 per cent. of their market value in gold coin and on real estate at not more than one-half of its taxable value, and at a rate of interest not to exceed 3 per cent. per annum; interest payable semi-annually in advance.

It shall be unlawful for the Directors to make any loan upon any other or different securities than those named above, or in any greater amount on their per cent., or market value than those herein above stipulated, or to make any loan upon real estate until they are fully satisfied that such securities are adequate for the protection of the Government.

It shall be unlawful for the Directors to discount notes, or buy and sell, exchange, or to use any of the bank money except as herein authorized.

It shall be unlawful for any bank in the department to loan money to any officer or employee of such bank.

SECTION 4. It shall be lawful for the directors of the branch banks to receive or cause to be received on deposit the money loaned by the branch banks in sums of not less than five dollars or some multiple thereof; and give to the depositor a certificate or a pass book of deposit, the whole or any fraction of which deposit with interest shall be payable on demand.

The rate of interest to be charged and to be paid by the Banks shall be fixed by Congress at its first session after every census taken, until the next census is taken, interest charged on loans shall be 3 per cent. per annum, payable semi-annually in advance; and interest paid out on deposits shall be 2½ per cent. per annum for all deposits left in the Bank after ten days.

SECTION 5. The officers of the said department shall be a President, a Vice-President and an Attorney; they shall be a part of the Board of Directors of said department which shall consist of said officers and the President of the branch banks as hereafter set forth.

SECTION 6. The officers of the department, shall also be the President, the Vice-President, and the Attorney of the parent bank.

SECTION 7. The Officers of each of the branch banks shall be a President, a Vice-President and an Attorney.

SECTION 8. The President of the department shall be elected by the Senate of the United States for the term of six years, the first Vice-President of the department shall be elected by the Senate of the United States for the term of four years, and each Vice-President after the first shall be so elected for the term of six years, the first Attorney of the department shall be elected by the Senate of the United States for the term of two years, and each attorney after the first shall be so elected for the term of six years.

In case a vacancy shall occur among the officers of the department when the Senate is not in session the President of the United States shall appoint some competent person to fill such vacancy and the person so appointed shall hold the office so vacated until an election shall be made by the Senate for the balance of the term of office so vacated.

SECTION 9. The officers of the branch banks shall be elected by the House of Representatives and the officers so elected shall hold office for the term of six years except that the Vice-President of each branch bank first elected shall hold office for the term of four years and the Attorney of each bank first elected shall hold office for the term of two years.

In case a vacancy shall occur among the officers of any branch bank when Congress is not in session the Governor of the State or Territory in which such branch bank is located shall appoint some competent person to fill such vacancy, and the person so appointed shall hold the office so vacated until an election shall be made by the House of Representatives for the balance of the term of office so vacated.

SECTION 10. It shall be the duty of the officers of the department to cause to be manufactured and through the parent bank supplied to the branch banks all of the money which shall be required in addition to coin deposits to meet every demand made upon them for money in accordance with the provisions of this Act, with power to recall such money or any portion thereof or to transfer the same from one branch bank to another as the requirements of business may demand.

They shall organize the Banking Department herein authorized and have general supervision of all the business of the department.

They shall establish branch banks in addition to those above referred to, to be numbered in the series of numbers of Branch Banks, upon the petition of a majority of voters of any Congressional district where no bank exists.

They shall neither lend nor refund money, pay interest on or redeem bank certificate.

They shall receive and disburse according to law all net proceeds of all the branch banks, rendering a quarterly report of the business of the department to the United States Treasurer, stating the amount of money manufactured since last report, the amount sent to the branch banks, the expenses of the parent bank, the net proceeds of the department and make a quarterly settlement with the United States Treasurer, passing over to the Treasurer at such settlement all net proceeds of the department.

They shall ascertain from day to day the market value of bonds and bullion and communicate the same to the branch bank directors, who shall be governed by such communication.

They shall make rules and regulations not inconsistent with any existing law or regulations made by the department directors for the inauguration and detail management of all branch bank business of the department, and such rules and regulations shall be published and shall have the force of law until rules and regulations shall be made by the board of directors of the department for the purpose.

SECTION 11. It shall be the duty of the board of directors of the department to meet at the seat of Government on the first Tuesday of November of each year, organize by appointing one of their number to preside. A majority of all the directors shall constitute a quorum for the transaction of business.

At each annual meeting they shall confer upon all matters connected with the business of the department.

They shall recommend to Congress any amendment to this Act which they may deem of importance to render the department more serviceable and efficient.

They shall make rules and regulations not inconsistent with any existing law for the management of the business of the department and may alter and amend the same at any meeting.

Such rules and regulations shall be published and sent to every officer and every director of the department and when so published and distributed they shall have the force of law.

The officers of all the banks shall be bound by and act in accordance with all decisions concurred in by a majority of the directors at any meeting of the board of directors.

No compensation shall be paid to the department directors for their services as such, but their traveling expenses to and from each annual meeting shall be paid to them.

SECTION 12. In addition to the duties placed upon the branch bank directors by Sections 2, 3, 4, etc., of this Act.

They shall also pay for and redeem all certificates of deposit and the interest which shall have accumulated thereon when such certificate shall be delivered up to the bank.

All certificates of deposit so redeemed shall be effectively cancelled upon redemption and forwarded to the parent bank.

All of the branch bank officers and directors shall be governed by the laws of Congress, the rules and regulations made by the department directors and by the instructions of the parent bank directors.

SECTION 13. All property or evidence of property deposited with the banks as security for loans shall be held by them subject to redemption by the borrower at his option, so long as the interest on such loans shall be paid when due, provided however that if the interest upon any loans made by any bank of the department shall be and remain unpaid for the term of ninety days after the same was payable, then and in that case it shall be the duty of the attorney of such bank to cause the property held as security for such loan to be sold, and from the net proceeds of such sale to repay to the bank the amount of such loan with the interest and expenses of sale, the remainder of such proceeds shall be paid to the borrower upon his demand.

SECTION 14. They shall cause to be kept full and accurate account of all the business transacted by them in the manner decided upon by the directors of the department in books to be furnished by the parent bank directors and shall make and send to the parent bank a quarterly report at the end of every quarter, a statement of all business transacted by them during the preceding quarter which shall set forth the amount of each loan made, the kind and amount of security given and the name and address of the borrower, the amount of each loan redeemed and the amount of interest collected thereon, the amount of money received on deposit, the number of certificates of deposits issued and the names of the payees thereof, the number and amount of certificates of deposits redeemed and the amount of interest paid thereon.

They shall have all the different books of the bank balanced and closed at the end of each day's work and send a transcript of the day's business to the directors of the parent bank.

They shall also make to the parent bank all such statements and reports as shall be prescribed by the rules and regulations of the department directors and the directors of the parent bank.

SECTION 15. Each director of the parent bank shall receive as his sole compensation for his services the sum of———— dollars per annum, and each of the directors of the branch banks shall receive as his sole compensation for his services the sum of—— ———————— dollars per annum.

The directors of the several banks in the department shall have authority to appoint all necessary subordinates, agents and employees and fix their compensation until some system of wages shall be authorized by law or by the department directors.

SECTION 16. The directors of the branch banks shall receive United States legal tender coin and greenbacks at their face value for redemption of all securities held by them and for interest on all loans the same as the bank money is received and if such coin and greenbacks shall accumulate in the department to an amount in excess of its requirements the surplus thereof shall be paid to this department with such treasurer, and all such greenbacks (not the bank money) so paid to such treasurer shall be by him cancelled and destroyed.

SECTION 17. The sum of ————— dollars is hereby appropriated out of any money in the treasury not otherwise appropriated which may be used by the director of the parent bank for the purpose of securing locations and buildings suitable for banking purposes for one or more banks as may be required and for other preparatory work for putting banks in working order.

SECTION 18. All laws now in force or which shall hereafter be passed relating to the counterfeiting of money shall be applicable to all moneys and all certificates of deposits authorized by this Act.

SECTION 19. Interest on standing deposits shall be calculated from the day of deposits to the thirty-first day of December in every year and shall be added to and become a part of the principal unless drawn by the depositor.

SECTION 20. The officers engaged in the receipt of deposits or payment of loans shall not disclose the name of any depositor

nor the amount deposited or withdrawn, except to the directors of the bank as may be appointed to carry this Act into operation or as a witness by order of Court.

SECTION 21. In case any depositor shall die leaving a sum of money on deposit in any branch bank the same shall only be paid to the executor or administrator on the production of letters of administration; any unclaimed deposit shall after a lapse of ten years become Government property and accounted as a realization of the bank.

SECTION 22. If a depositor becomes insane, having on deposit any money, the directors may at their discretion authorize payment from time to time out of the funds of such depositor to any person having charge of him or her.

SECTION 23. The interest regularly maturing on all Government and State Bonds deposited as collateral security for loans made by any branch bank, shall be duly collected by said banks and charged by them to the credit of the borrower.

SECTION 24. All landed property acquired by the Government by foreclosure under this Act, shall become a part of the public domain.

Bank Inspection.

SECTION 25. The following divisions of the Territory of the United States of America shall comprise four bank inspection districts, viz: The first district shall include all the States and Territories west of the Rocky Mountains including New Mexico, Colorado, Wyoming and Montana.

The second district shall include all of the Territory west of the Mississippi river, and east of District No. 1.

The third district shall include all of the Territory east of the Mississippi river and south of the Ohio river including the State of Maryland and Delaware and the District of Columbia.

The fourth district shall include all the remaining Territory of the United States.

SECTION 26. The President of the United States shall appoint and commission yearly three competent persons as inspectors for each bank inspection district.

Two shall form a quorum to do business, their compensation shall be ———————— dollars with travelling expenses added.

Their bills shall be audited and paid quarterly by the directors of the parent bank from the net proceeds of the banking department.

A pro rata shall be deducted from the salary of an inspector whose duties as inspector have not been performed.

SECTION 27. It shall be the duty of the bank inspectors to visit each branch bank in their respective districts once every three months and report to the United States Treasurer its conditions, viz: The number and amount of its loans made during the preceding quarter; the number and amount of loans repaid; the number and amount of certificates of deposits issued; the number and amount redeemed; the amount of money received from the parent bank; what received from all sources; what loaned; what remains; what interest paid and received during the quarter; amount of expense and the general management of the bank and send a copy of their report to the United States Treasurer and one to the parent bank and one to the Treasurer of that State or Territory in which said bank is located.

The inspectors of District No. 3 shall also inspect the parent bank and report to the United States Treasurer its management and condition, reporting all of its general and detail workings.

SECTION 28. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 29. No officer or employee of any bank in the department shall be eligible to appointment as bank inspector.

SECTION 30. This Act shall take effect from and after its passage.

CHAPTER III.

BILL EXPLANATIONS.

The bill above authorizes the organization of a banking department and the making, circulating and redeeming public money.

Here we have a bank of novel construction, with unlimited powers to perform the work assigned it to do.

A bank that cannot be broken; that works without selfishness for the good of all; that deals out financial justice to all; removes all from the grasp of shylocks without arbitrary laws against usury.

A bank that will supply a par currency for the use of the people, made of gold, silver and paper and all of it worth at all times, in all parts of the country, just one hundred cents to the dollar in United States gold coin no more and no less.

A bank not depending upon the wealthy, nor the gold in its vaults for its existence but upon the laboring, the enterprising, and producing classes.

A bank whose currency would have a more sure redemption than any former currency and always exchangeable for a certificate of deposit drawing interest.

A bank that can always lend and always borrow (receive on deposit) and multiply its blessings to man, yet never becomes exhausted, but like an intelligent instructor, the more he imparts, the more he is able to impart, and the profits of its labors are divided for the benefit of all.

The law authorizing the organization of a banking department, makes United States *gold coin* our *standard* of value, and measures of value are to be made of gold, silver and paper, all a full legal tender, based upon national and States credit (bonds) bullion and real estate and made ample in amount to loan to the Government, to the States and to every citizen who offers the required security.

It gives us Government banks of savings and deposits that

cannot be broken where we can deposit our money and have it draw interest without fear of loss.

It will produce the Government an income variously estimated from sixty million dollars to two hundred million annually, and will save to the people a much greater sum by reducing interest from 7% to 3%.

Its ample powers will protect us from money panics, and from shylocks without arbitrary laws against usury.

It saves us from the curse of money monopoly.

This department of our Government would be the money power and all the people stockholders.

It is a system of loaning and redemption that will supply just enough money at all times, never too much.

It is truly the *Gospel of Financial Salvation,* not for bankers only, not for manufacturers only, not for farmers only, not for merchants only, not for miners only, but for Government, for the States and for all the people.

It supplies public money loaned direct to the Government, to the States and to the people.

It gives us a *Gold Standard* as demanded by Republican and hard money Democrats, and bimetallism without awaiting the consent of other nations.

It supplies a full tender Government bank note, redeemed by the borrower or by his property the same as the National Bank note is now redeemed.

The bank officials are authorized also to redeem our present greenbacks and all treasury notes (see Section 16 of bill) this taking them out of circulation and relieving the Government from the burden of their redemption.

It supplies a system of Government Saving and Deposit Bank that cannot be broken, where the people can deposit their money and have it draw interest without fear of loss and have it returned to them upon demand.

CHAPTER IV.

COMMENTS ON BILL.

It will be seen upon careful inspection that certain results will be realized by the passage of this bill, and among them special attention is asked for the following:

1st. The business proposed is to be a part of the machinery of the Government but separate in its action from and independent of most of the work now carried on.

2nd. The money authorized by this Act is of the standard of United States gold coin and cannot be loaned upon security of less than gold value, therefore it can never be depreciated, and will always command gold coins if they should be wanted.

3rd. The number and location of banks will be such that the benefits of this system will be extended to all parts of the country, and the method of loaning money is such that all of the people will have equal rights in those benefits.

4th. The system of certificates of deposit will enable the people to dispose in perfect safety and for a fair interest of any surplus which they may have for a short or a long time. In case the volume of business in the country shall be reduced all surplus money would at once go out of circulation by being deposited in the banks. It would be held in perfect safety and would be available for use if required at any hour. This makes what has never heretofore existed, a gold standard currency so perfectly elastic as to adjust itself instantly to all requirements, and while there is never a scarcity, there is never a plethora of money.

5th. The authority to manufacture and loan money is unlimited, the exercise of that authority is controlled by the requirements of business. Agricultural, manufacturing and commercial enterprises will at once feel the impetus of the new era in which they may forecast their operations without fear of a

squeeze by the money changers. The production of wealth throughout the nation will increase rapidly as the emancipation from financial panics become known to the people.

6th. The measures proposed for the protection of the Government are ample to prevent the issue of a dollar, except upon adequate gold value securities and none of the securities can be used except for the redemption of the currency. Thus there can be no depreciation of value so long as gold remains the standard.

7th. The exhaustive reports provided to be made by all of the banks, by the department and by the bank inspectors will furnish a vast amount of information for statistical purposes which will greatly facilitate the transaction of the constantly increasing volume of business.

8th. The adoption of this system will give permanent employment to the large and useful class of employers whose experience in banks of the present order will be valuable in the inauguration and operation of the new methods.

Among the many benefits arising from the new order of things, moralists, may feel that it will be a benevolent thing to relieve from the temptation to cheat their neighbors, the large class of non-producing schemers who depend upon the misfortunes of the producers to enable them to gather in the largest per cent. of the product.

It is not proposed to pass any law against usury or extravagant interest or to prevent financial fluries or money panics, or any other evil that afflicts mankind through the working of our present money systems.

What we do propose is, to put this money system—this *finance machine,* at work among the evils named above, and if all are not cured or prevented by it what remains will be too insignificant to attract attention.

Neither do we propose to legislate against banks now in existence, they will still be privileged to do such business as they can secure, and it seems probable that many commercial banks will be wanted, and private money lenders will find ample scope to operate with personal notes, personal and other property to secure their loans; but if this money system forces them to do business for reasonable returns, the masses of the American people will not complain. If in the course of time, as the new cur-

rency fills the channels of trade, the national banks find they cannot eat their cake and keep it to, the mourners will not be found among the men of physical toil, who earn their bread by the sweat of their brows, or among the enterprising men, whose brain work leads to the successful accomplishments of the great undertakings which illustrates the progress of the world in knowledge, and contributes to ameliorate the hardships of the human race, and marks the difference between the savage and civilized man. This finance machine which as may be seen further along will abolish usury without usury laws; will equalize the currencies of a country to just 100 cents to the dollar, whether said currency be made of gold, silver or paper or *all* of *them,* and prevent *money* panics as surely as the cutting off of a dog's head will kill its body.

CHAPTER V.

FURTHER COMMENTS.

SECTION 1. This section authorizes a Government banking department to be organized with parent bank and branches, whose duty is to make, circulate and redeem public money, which is significant of a full supply of money at an approximate equitable interest without the intervention of usurers or the manipulation of money changes. Thus liberating production and general business from their entire dependence upon private banks, or other private money lenders.

It may be further observed that all currency made and circulated by authority of this section of whatever material, is made *money,* not a bank note to be redeemed in greenbacks, nor yet greenbacks to be redeemed in some other currency, but *public money—money* of the *United States, made, owned* and *loaned* by the people, all of it a full tender, a just measure and a true representative of value, all of it of the same significance as United States coined gold.

SECTION 2. This section tells us that its money *measures* of *value,* shall be gold, silver and paper upon present ratios, all a full legal tender; and it also fixes the *"standard* of *value."* Let me suggest, a "standard" of value should be of one substance, and must have actual value, and by nature durable and comparatively unchangable, but "measures" of value may be made of many kinds of material, with or without intrinsic value. As the money value of all measures of value are regulated by this bill to that of the standard, so while value is indispensable in both, the standard must have actual value, and the measures legal value only is required. Our Constitution says "They (Congress) shall coin money and regulate the value thereof." Thus values are fixed on revenue and postage stamps as well as on money.

Money measures are only *representatives* of value, not the value they represent, and no more requires it, than a representative at a foreign court, is required to be the whole country he represents. By this section United States gold coin is made the "standard of value" and "measures of value" are made of gold, silver and paper as above stated.

Section 3. Demands the branch bank directors shall loan money to the Government, to the States and to the people upon securities, which shall consist of Government and State bond and bullion at 90% of their gold market value, and on real estate at not more than one-half of its taxable value, and at a rate of interest not to exceed 3% per annum.

Section 4. Makes all branch banks, banks of savings, where all sums of the banks' money above five dollars, may be deposited and draw an interest. Also fixes the rate of interest on loans and deposits.

Section 5. The parent bank and the branch banks together constitute the banking department. All the banks are provided with three officers, viz: a president, a vice-president and an attorney. The officers of the parent bank are also the three officers of the department and are a part of the board of directors of said department, which shall consist of said officers and the presidents of all the branch banks first organized in each State. The officers and board of directors named in this section have full charge under the laws of Congress of all business of the department.

Section 8. The object of this section is not alone to elect bank officers, but also to make such elections comparatively non-partisan.

Congress being always composed of two or more political parties, and sometimes the Senate is dominated by one political party and the House by another at the same time, and vacancies would sometimes be filled by one partisan president and sometimes by another.

The mode of changing one-third of the officers every two years should be satisfactory as fresh business talent from the

people would bi-annually be flowing into the banks and department management, representing all parts of the country and all phases of politics. Thus rendering it impossible for any political party to use the influence of the department for partisan ends.

SECTION 11. This section designates the time and place of gathering of the department directors and states their duties.

We can conceive of no body of men better qualified by experience to perform the duties of department directors than this body of bank presidents.

It is natural to suppose that without a system of rules and regulations adapted to the detail management of all the banks, some will be run and controlled more wisely and economically than others, after a system of rules and regulations founded upon experience have been adapted by the department directors, all of the banks will be equally and wisely controlled.

Notwithstanding the valuable services rendered by this body of men as department directors, they only receive compensation as bank presidents, excepting traveling expenses to and from their yearly gatherings.

We will let the other sections of the bill speak for themselves.

CHAPTER VI.

A GOVERNMENT BANKING DEPARTMENT.

All of the departments of our Government, with their numerous bureaus, depend upon money. Government efficiency in all its enterprises can be assured only by the use of money. The welfare of our seventy millions of people is depending upon its possession; they must have money before they can get food, clothing and habitations. Money is the tool used to do all business in communities of civilized society, since money is the moving force in all business both public and private, and as Congress is constitutionally authorized to supply it, it would seem wise for it to adapt the best, the most just and effectual means of furnishing the money which will enable all public and private business to be done at the least possible cost for the tool to do it with without suffering the embarrassment of a short supply and an ever changing rate of interest maintained apparently for the benefit of those whose only labor is devoted to acquiring the wealth possessed by others.

Money is as essential to the production of wealth and healthy action in the arteries of trade, as healthy blood is in the veins and arteries of the physical system. All wealth after it is produced must be measured and exchanged with money under our civilization before it becomes available to man, all advancement, whether it be intellectual, financial, moral or material, requires money. After a nation is organized and prosperous it cannot continue prosperous without money.

A banking department, organized as herein advocated, would supply, distribute and redeem the money required for all purposes with absolute certainty and perfect safety for both Government and people. This being *public money* they would no longer be left to the mercy of private money lenders who now dictate not to the people only, but to the Government as well the terms upon which they will permit money to be used.

Such a department would be a great blessing to the people in their daily avocations, and would more perfectly assure their permanent prosperity and happiness than any and all private money systems and more than any other department of the Government. The people would suffer less by having all mail matter carried and delivered by private corporations than they do now by being compelled to use exclusively *private money*.

Four new departments have been added to the Government since its organization, therefore precedents for adding another are not wanting. The plan of organization and operation as laid out in the bill, would be sufficient to inaugurate the system in perfect safety, after which the knowledge gained in its working would doubtless show where and how improvements may be made in its detail working, and the system provides for its own perfecting.

The disastrous money panics which in times past devastated the business world have always been caused by money owners withholding their money from circulation. Such panics could never occur if this department was in operation, as then *public money* would be always abundant and available for business, though private money be withheld. Interest for this department money would approximate 3% per annum at all times, while interest for private money in panicy times—if available at all—ranges from 7% per annum to 3% per month as in 1893. The industries would flourish, not alone from the saving of interest, but by the impetus given to production by being freed from violent changes in the cost of the tool for producing products, and the increase confidence in the safety of business calculations, an enterprise which would be hazardous under existing circumstances, with interest fluctuating from 5% to 20% per annum, could be figured on with perfect safety if this system was in operation, as then money would be always available at an interest approximating 3% per annum.

This department would not only prevent money panics, and impart to the people the blessings above named, but would add to the income of the Government a sum estimated from sixty million dollars to two hundred million dollars annually. This alone should justify the organization of this department. Supplying the industries with just enough full legal tender money at all times to do the business of the whole country and at a rate

of interest approximating 3% per annum and made of gold, silver and paper would be the greatest blessing conferred by this department. This alone would be a great feat, a feat that all the banks and private money lenders since the formation of the country have failed to accomplish, which is another strong argument to justify its organization.

The following fact should also have weight in favor of its establishment, viz: The money question would be forever settled, with private money alone it cannot be settled. Now, year after year, generation after generation, are happening financial fluries in the money market "Black Fridays," "money panics," and other evils arising from our inadequate system of private money, and a constant agitation is kept up in Congress and out, over the money question, which keeps up a feverish apprehension which will not down, and nothing but public money will ever down it. It never can be settled until it is settled right. The inauguration of this banking department would justly settle it and for all times. Our Constitution empowers Congress "to establish post offices and post roads," and Congress has wisely interpreted this to mean the gathering, transporting and delivering the mails of the country and it has organized a post office department to attend to that important business. The Constitution has also empowered Congress "To raise and equip armies," "To provide and maintain a navy," and Congress has performed these duties by organizing different departments to preside over and perform these important duties. Congress has very properly organized a department of agriculture without even a hint from the Constitution directing it to be done. These departments having been organized by Congress with only hints from the Constitution to encourage it, it is seen precedents are numerous, and as a banking department for purposes herein specified would be second to none in importance it should be organized for the good it would do, supplying as it would an ample, healthy business life blood, it would enable the Government to fully carry out its Constitutional money duty to itself and to the people, which it has never yet performed.

Congress is directed by the Constitution "to pay the debts" of the country, to "borrow money on the credit of the United States." "To pay the debts" implies that there is money or means

available to pay them. "To borrow money on the credit of the United States," that money can always be borrowed by the Government.

Yet history informs us the time was when Congress could not pay the debts of the Government because it had no money, neither could it borrow on the credit of the United States because no money lender could be found who would accept the security. So on account of our deficient laws on Government finance, Congress could not perform those two plain constitutional duties and to prevent another similar humiliating occurrence this banking department should be organized and put in motion, as then Congress could always borrow and pay the debts of the United States. Congress holds the constitutional right "to coin money, regulate the value thereof," which surely is a sufficient hint to justify it in organizing a department to preside over and attend to the important duty of coining, loaning and redeeming money. Our point is, Congress having wisely organized departments for carrying out important provisions of the Constitution and organized an important one without even a hint from the Constitution; Congress should take a more vigorous hold of the supply and distribution of money as that is a plain and important duty placed upon Congress by the Constitution besides the efficiency of the government and the happiness of all our people are depending upon money for the just distribution of the necessaries and luxuries of life. The duty is so important it should not be shirked, or farmed out to private parties as is now done, its importance is so overwhelming it demands a department for its efficient administration.

CHAPTER VII.

GOVERNMENT BANKING.

The Currency Wanted and How to Obtain It.

The Democrats speaking through their President in his message to Congress in the paragraph on the repeal of the Sherman silver law, say: "Of course after recent financial perturbation time is necessary for the re-establishment of business confidence. When, however, through this restored confidence, the money which has been frightened in the hoarding places is returned to trade and enterprise, a survey of the situation will probably disclose a safe path leading to a permanently sound currency abundantly sufficient to meet every requirement of our increasing population and business. "In the pursuit of this object we should resolutely turn away from alluring and temporary expedients, determined to be content with nothing less than a lasting, comprehensive financial plan."

The Republicans Demand.

The Republican party speaking upon the currency question through Mr. Windom, their Secretary of the Treasury, in his great speech delivered just before he was striken down by death, used the following truthful words:

"The ideal financial system would be one that should furnish just enough absolutely sound currency to meet the legitimate wants of trade and have enough elasticity of volume to adjust itself to the varying necessities of the people could such a medium be secured, the grave commercial disasters which threatens our future might be averted.

"These disasters always come when unusual activity in business causes an abnormal demand for money, as in the autumn, for the movements of our immense crops.

"There will always be great danger at those times under any cast iron system of currency such as we now have."

What the People's Party Demand.

"We demand a national currency, safe, sound and flexible, issued by the general Government only, a full legal tender for all debts, public and private, and that without banking corporations, a just, equitable and efficient means of distribution direct to the people at a tax not to exceed two per cent. per annum," * * "We demand that postal savings banks be established by the Government for the safe deposits of the earnings of the people."

The above demands voices no doubt a large majority of the American people, so I will not multiply quotations, but proceed to the second part of my subject, viz: "How to get the kind of currency demanded."

It is evident could a financial plan be secured and put in practice that would produce the medium demanded above, no complaint could thereafter be made against either the quality or quantity of our currency as it would be sound in quality and ample in quantity, every dollar worth as much as every other dollar for domestic use. No more money fluries or money panics. Beyond question, the Enactment by Congress of the foregoing bill would produce the currency demanded, as under the working of that law, money would be as cheap in outside districts—Florida, Washington State and even in Alaska, as it would be in the city of New York. It would produce *public money* administered through a government banking department by loaning direct to the people, to the States and to the Government.

It would give us bimetallism without the *free* coinage of silver or waiting the consent of other nations before we could enjoy it.

The banks of this department would be savings banks as well as banks of issue, loaning and redemption.

This law would give us a gold coin standard of value, and endows all silver and paper currency with the same legal value as the gold coin standard for all domestic money purposes. This public money is based upon Government and State bonds, bullion and real estate.

A Broad, Sound and Solid Base Surely!

This bill is the "survey of the situation which discloses a safe path leading to a permanently sound currency, abundantly sufficient to meet every requirement of our increasing population and business * *" and "a lasting, comprehensive financial plan." In fact it is itself *that plan*. Such should satisfy the Democrats—or at least, President Cleveland. This is, "The ideal financial system would be one that should furnish just enough absolutely sound currency to meet the legitimate wants of trade, and have enough elasticity of volume to adjust itself to the varying necessities of the people." It would prevent "The grave commercial disaster which threaten our future." This would do away also with the "cast iron currency system such as we now have," and confer upon the nation a permanent gold coin standard of value, and bimetallism without the *free* coinage of silver or awaiting a permit of other nations before we could enjoy it.

It would give us "a national currency, safe, sound and flexible, issued by the general government only, a full legal tender for all debts, public and private." * * "A just, equitable and efficient means of distribution direct to the people," to the States and to the Government, at a tax not to exceed three per cent. per annum. It would give us, "government savings banks for the safe deposit of the earnings of the people."

Under the working of the bill if enacted, money would be as cheap in all outside districts—Florida, Washington State and even in Alaska as it would be in the city of New York.

The banking department provided for in the bill when put in motion will pay its own way, and yearly produce an income for the use of the Government, variously estimated from forty million to two hundred million dollars, and save to the people a much larger sum by reducing interest from an average of 7% to 3% per annum.

Now that all political parties have united as to the kind of currency they want, and a plan formulated in the shape of a bill for its production, the bill should be enacted without delay and thus settle once, and for all time the money question.

CHAPTER VIII.

PUBLIC AND PRIVATE MONEY CONSIDERED AND COMPARED.

Definition of the two kinds of money.

Private money is money owned by individuals, firms, corporations, States, etc., held in possession or loaned by its owner. Public money is money created, owned and loaned by the people. It is the object of the foregoing bill to create and loan public money only. It must be observed that no matter what the borrower may do with this money, the people will continue to receive an income from it until it is returned to the government bank as the above bill provides. Such would be *public money* and redeemed by the borrower or by his property the same as the National Bank note is now redeemed.

It is the hoarding of private money that has caused our business depression, and money scarcity the past eight years. There was undoubtedly enough private money to do the business of the country during these years, could it have been circulated, but that could not be, as there was no law natural or enacted, that could force its circulation if its owners refused. In the case of public money this could not happen as it would circulate upon demand in pursuance of law in all parts of the country at the same rate of interest in large or small sums.

Private money only circulates as its owner wills, and upon the terms its owner demands—a troublesome and costly system it has always proved and must continue to be, unless public money is produced as an auxiliary to give it tone, and thus drive away its timidity. By public money only can the money question ever be settled, and when so settled it will bring financial independence to our country and be one of its safe guards.

Private money has failed to settle the money question the past hundred years, and during that time it had no opponent, no enemy, and was always manipulated by its friends.

Private money as a business tool invites panic and misery, and both have visited us every few years because of it. Such a money calamity as has afflicted us the past eight years would not be possible under a properly regulated system of public money such as the above bill provides, as under it, money would be always obtainable at a uniform, equitable rate of interest, approximating three per cent. per annum, whereas under our present system of private money interest ranges from six per cent. per annum to three per cent. per month and often not to be had even at those rates with good security, and this while money invested in the industries yields an average of less than three per cent. per annum as per statistics.

It may be right for money—a product of law—to be so favored by law, as to produce for its owner twice or thrice as much at interest as it would yield invested in the industries. It may be right, but we fail to see it. It seems a wrong view of political economy to favor by law the idle, at the expense of the industrious, seeing all our progressive greatness is produced by labor. The law should favor the industrious producer, instead of the idle consumer, as it now does, by enabling him to demand and obtain a usurious interest for money, and upon it fares sumptuously every day in idleness.

This is a strong reason why public money should be produced and loaned at about an equitable interest of three per cent. per annum, this would relieve all production and all business from all interests exactions that are greater than the average net income of the industries. This should settle the rate per cent. for public money.

Such would be genuine political economy, and would act as a wet blanket on all private money lenders who demand a greater interest than public money drew.

It would prevent high and usurious interest the same as the post office efficiency has prevented express companies from continuing to charge 10, 25 or 50 cents for carrying each letter. This would prevent usury without usury laws. All usury laws could be stricken from the statute books and no evil result therefrom. Public money as demanded by the bill above referred to, would prevent all usury, and be an effectual lever to persuade those commanding large sums of money to invest it in some enterprise, hoping by coupling it with their labor and skill, to

realize from it a larger income than by loaning it. Thus the now idle usurer could find employment and become a producer. So while the manipulation of private money has enabled Rothschilds and others to amass fabulous fortunes from money belonging to others and pose as one of *the money kings* of the world. Public money administered through government banking department as provided for in the bill referred to would change all this in the United States, by preventing such vast accumulations of private wealth by usury and interest for private money, as the people who create, own and loan public money would be the *money power,* private money owners would deposit their money in the government banks of savings, and thus save the millions of dollars they now lose yearly by the failure of private banks.

The people being the owners of this government banking department, its net interest accumulations would be a revenue belonging to the people to be used to pay their government expenses, pay its debts, make public improvements, etc.

The blessings that public money would confer on our great American nation no man is competent to perceive and number at this early date, I have discovered and numbered over fifty and new ones are appearing as I search more deeply into the subject, I feel gratified to be able to say I have not discovered a single drawback or weakness in the working of the principle of public money, or any unanswerable argument during my twenty-three years' study of the subject. The blessings to be derived from public money become more clear, and appear of greater importance and multiply in number as time rolls on. The arguments in its favor are so numerous and unreputable. I am surprised that a principle fraught with so many blessings as public money would have, loaned direct to the Government, to the States and to the people that all civilized nations have not enjoyed it ere this, particularly the people of the United States, whose Government was formed by the people, for the people, not for bankers only, or for the benefit of any particular class.

The only plausible reason why the people have not enjoyed the inestimable blessing of public money—which is theirs by inheritance—is, they did not know it was within their reach, neither did they comprehend the great difference existing between public and private money, but the people are now

awakening—though slowly—to see their rights and their great loss brought on them by the exclusive use of private money which has produced idleness and misery by reducing honest American citizens by scores of hundreds from being home owners, to tenants, day laborers or tramps. If there is anything under our civilization that will or can arrest these demoralizing evils it is public money as provided for by the above bill.

From the first inauguration of public money, money monopoly would cease or be rendered harmless, and usurious interest would receive its death blow, yet without any law against usury. The people being relieved from these two oppressive burdens, business would revive, the idle find employment and plenty, their hearts would swell with thankfulness, and so a better spirit would prevail among the people.

No one will be a patriotic enthusiast, or look up with a thankful heart to the Giver of all good, who is driven from his home by his country's unwholesome laws, being without a home, starved, disgracefully clad, with his family in like condition, and no relief in sight. This condition is forced upon scores of thousands of our fellow citizens whenever and wherever a financial scare happens among the owners of private money.

Undoubtedly there are more people evicted from *their* homes in America for non-payment of interest the past eight years, than have been evicted from rented homes in Ireland the past twenty years. While the evictions from American homes are far more numerous and heart rendering they seem to enlist but little sympathy and seldom noticed by the general public, save through the sheriff's advertisements. The evictions in Ireland for non-payment of rent on the contrary seem to enlist the sympathy of the civilized world. It is easily seen how honest, economical, hard working families may get into debt by loss by fire, by flood, by drougth, by rust, by endorsement for friends, by sickness, by death or some other unavoidable calamity which may force them to borrow some money to tide over their misfortune. There being no public money available forces them to borrow from private owners and upon their terms, which, for such as are under misfortune's cloud, interest ranges from 12 to 30 per cent. per annum, and paid in advance. These mortgages being for small sums, the givers are sure they can repay the money

and interest by hard work, vain hopes. No intentions, however honest, or labor though long continued, is equal to an interest of 15% per annum, and as the average net income of American farms is less than 3% per annum as per statistics, it is only a question of time when evictions must surely take place. Money at interest upon farms and drawing 15% interest while the farm nets less than 3% cannot foster very bright hopes in the borrower, it will press heavily until evictions relieves him.

This pernicious principle works against American homes and violently and rapidly decreases them faster than they are multiplied upon the public lands. Being driven from home is not all tne evil arising from evictions, its results are worse, even dreadful to contemplate. Families evicted from the homes they had built up, that furnished shelter, comforts and employment for all, are by the eviction forced out to suffer, with hunger, headache, and heartache arising from forebodings of evil, compelled to become tenants, day laborers or tramps—the latter the father must become if no labor can be found—the mother and children separated, driven for food and shelter to serve among strangers without sympathy. The children to grow up without parental love, council, care, schooling or other social advantages. These evictions and their effects form a picture disgraceful to our country and its civilization, being mostly brought on the country by the enforced use of private money. It may be readily seen, that public money been available at a 3% interest according to the spirit and wording of the bill referred to, not two per cent. of the evictions from American homes for non-payment of interest would have taken place. So if our national law makers are anxious that every American family should have a home and retain it, they should enact the within bill and thus prevent the big fish from devouring the little ones. No kind-hearted people will contemplate the above picture without feelings of commiseration for the afflicted and a holy desire to prevent such afflictions if within their power. I hope these pages will clearly show how the people can remove these national afflictions by resuming their plenary power over the making and circulating of money.

It must not be supposed that public money would entirely abolish poverty, as idleness, intemperance, debauchery and other evils will nourish poverty among us.

It is not for these I plead, their relief is in their own hands, but it is for the unfortunate, the business man, the industrious family, the wealth producers of the country that misfortune has overtaken that I plead. The law can help these, as they only want time and money at an equitable interest to enable them to work through and retain their business, their homes and their respectability, with all that they imply. Public money would enable this to be done but private money being the source of this national affliction, and also of money flurries and money panics, no permanent relief can be looked for from that quarter, even should more National Bank currency issue, and the free coinage of silver be inaugurated, or more greenbacks be issued; these being all private money, one or all of these may be liberally used, yet the money question will not be settled. No private money system can ever settle the question or prevent the recurrence of another financial condition as now confronts us, and from which the country has suffered mentally, physically and financially the past eight years.

Private money as now manipulated, is a Shylock money, always demanding the pound of flesh cut nearest the heart.

The money question can only be permanently and justly settled by the people themselves, acting through their proper constituted agent, a government banking department. The people must take charge of their own monetary affairs, making, coining, loaning and controlling their own monetary affairs through their own instrumentalities and thus abolishing the business of issuing private currency by corporations, and private money by the free coinage of gold and silver. That is the people must strike out on a distinctive American money policy, as they have in their form of Government, and be no longer controlled by the money systems of Europe than they are by their systems of governments. Then the money question will be justly settled. Then government bank notes will be issued, and gold and silver coined by the people, for the people, instead of by the people free for individuals.

The definition of public money as defined in the opening of this chapter constrains one to believe the luxury of public money was never enjoyed by the people of the United States. It is true the greenback is thought by many to be public money, but a moments reflection must dispel this idea. It is true the Gov-

ernment issued it, but it expended it for its own necessities, the same as it did any other revenue, and by so doing parted with all ownership in the money. It is private money to all intents and purposes and was issued for the private use of the Government. If the Government had loaned it, it would still be public money according to the above definition.

Having said this much respecting the difference between public and private money, I will now compare the two more closely, and as the greenback is considered as good as gold coin for domestic use, and much preferred to silver coin for general business I will compare with the greenback.

1st. The greenback being limited in amount becomes thereby a Shylock currency like the precious metals and like them may be cornered, hoarded and monopolized to the great injury of business.

Public money cannot be monopolized. It is always available to those who have the security.

2nd. The greenback cannot be circulated only at the will of its owner, and upon the terms its owner demands.

Public money can be distributed at all times to rich and poor alike who have the required security, in large or small sums in all districts of the country at the same rate per cent.

3rd. The greenback is not a representative of value as all money should be. It was paid out for salaries to soldiers, sailors and other employes of the Government, paid for ammunition, fire-arms, horses, ships and other Government necessities for prosecuting the war, all being of a perishable nature, have long since ceased to exist and of course cannot be represented, thus depriving the greenback of one essential money qualification.

Public money is always a true representative of value, as it is all loaned upon durable property which is held by the banks for the redemption of the money they loan, the same as the Treasurer now hold Government bonds to insure the redemption of the National Bank notes. As long as there is a dollar of public money in circulation so long will the property, the money represents be held for its redemption.

4th. This public money is all surely, acceptably and finally redeemed by the borrower or by his property, without Government gold, Government bonds or other Government aid.

Not so the greenback as over one thousand million of them

and other treasury notes were redeemed by Government bonds and the bonds are yet a burden upon the Government, and one hundred million dollars of gold coin has been hoarded in the treasury at great expense to redeem the remaining part. To state it a little clearer, *the borrower or his property redeems public money but the Government redeems the greenback.*

5th. This public money would yield the Government yearly, a revenue variously estimated from sixty million dollars to two hundred million.

The greenback yields nothing and as shown above is a continual expense.

6th. Public money could always be borrowed at about an equitable interest of 3% per annum.

The greenback if it can be borrowed at all is like coin, demand all a usurer can get out of it, ranging from 6% per annum to 3% per month.

7th. The greenback are *bills payable by the Government* in gold coin.

Public money are *bills payable by the borrower to the Government with an interest.*

A Big Difference Truly.

8th. The greenback was put in circulation without security, save Government credit. Public money as provided for in the bill is secured upon specific property of the most durable kind as well as Government credit.

9th. The greenback is not elastic, has no power to increase or decrease to accommodate the increase or decrease of trade. Public money would have those powers without limit. It will increase upon demand and decrease when no longer wanted in production and trade channels without rendering its withdrawal a disturbing element.

10th. Whether private money be scarce or abundant, there would always be enough of this public money available for all domestic money purposes, never too much or too little. Of greenbacks this cannot be said.

11th. The greenback is just now—1897—an onerous burden upon the Government by its being compelled to provide gold to exchange for greenbacks when demanded.

This in addition to the yearly expense of retaining one hundred million of gold in its treasury for greenback redemption. This public money instead of being a burden will yield the Government a perpetual revenue.

12th. The greenback was issued as a temporary measure to relieve the Government's pressing necessities. This public money will be a permanent currency and will relieve both the Government and the people, and will surely settle the money question.

We will discuss the advantages of public money over private, no further under the above heading, believing when the American people shall fully realize the great advantage to them of public money, no political party will thereafter demand more private money by the free and unlimited coinage of gold and silver, the further issue of greenbacks, National Bank notes or to multiply private money in any way. They will demand public money every time and all the time, as it will restore to the people their constitutional right to make, own and loan money, a right they never yet enjoyed.

CHAPTER IX.

THE GOOD TIME COMING.

The day is coming when a half ounce letter will go anywhere in these United States for one cent, a telegraph message of ten words for three cents, a ton of rail weight for five mills per mile, a first class passage for one cent per mile, and no railroad "strikes." Money will be three per cent. per annum interest, or less, and to be obtained in all States and Territories, at all times at the same rate and all of it, always worth one hundred cents to the dollar in United States gold coin, no more, no less, no "money panics," no more foreign absorption of Government or State bonds for borrowed money. The money power will be this government banking department, and all the people its stockholders. The enactment of the bill above referred to, would make possible all of the above predictions, by enabling this banking department to supply money for all the legitimate requirements of trade and production.

Making it possible for Government to buy or build and operate all long and important railroads and telegraph lines in these United States without running the country into debt. It will readily be perceived that a money that will impart such great blessings to man, must be *public money* produced, owned and loaned by the people, in pursuance of law.

It would be the grandest co-operation principle the country ever enjoyed, where every citizen would co-operate for the good of all.

CHAPTER X.

MONEY.

Money, when studied in all its bearings of blessings and powers, presents to the student one of the most important and happy mediums ever conferred by a Government upon any people; and were it possible that "money" with all its advantages could be presented, the unthinking would exclaim, "impossible that mortal man could invent anything of so much importance!" Money being the moving power in all enterprises of productive industry, trade and commerce, it behooves the government to do its duty and provide the "needful," the "life blood of business" in amounts sufficient to supply every demand, that production may not be checked, or trade crippled with a short or a too costly supply.

Money is not only a "measure of value," a "representative of value," a "machine to float value," a "tool to work with," an "instrument of commerce," as is stated by other writers, but it is also the connecting link between man and the undeveloped elements. Under our laws, wealth can no more be created or drawn from the elements without money than an engine can draw a train of cars without the connecting link to fasten them together.

Please look at the following illustration: America is said to be "a land choice above all other lands of the earth," and the United States the "garden spot of America." Truly rich in element wealth—air, earth, water, light, heat and space—with their mineral and vegetable wealth and other properties sufficient to sustain comfortably one-third of all the inhabitants of the earth, without crowding or tramping upon each others' rights. Yet with only 70,000,000 people we find destitution and much suffering in this land of plenty. It is the opinion of the author of the New Encyclopedia Brittanica, and other publications, in which we fully concur, that if the natural resources of America were fully developed they would afford sustenance for 3,600,000,000

inhabitants. Assuming the above statement as approximately correct, the United States should sustain at least 500,000,000 as her share of that number—a figure not improbable, as some of the old countries sustain a proportionate greater number. Yet, with all the element wealth above referred to and only a tenth of the inhabitants that could be comfortably sustained by it, tens of thousands are suffering for the necessaries of life; no work, no business, few comforts; the raw material is unused, and the elements of wealth undeveloped, laborers are striving with each other for a mere subsistence, and trying to prevent more laborers from landing upon our shores. They honestly believe if more arrive, their chances of employment must be further curtailed. Let me here ask, what is the reason that 70,000,000 of people cannot be comfortably sustained in these United States without government financial disasters, general bankruptcies, and individual physical suffering for the necessaries of life? I will briefly answer the question. The laws of our country require that we buy, sell, receive dues and pay debts, tariffs, taxes, etc., in money, thus making money necessary not only in all our business relations to exchange our labor and products, but make it the connecting link between the brain, skill, and muscle of man on one side, and the elements that are so rich with human comforts on the other. As matters are now arranged, man may suffer and starve in the midst of plenty; at the same time he may possess intelligence, physical strength, skill and will, those essential qualities that create human comforts from the elements and mark the difference between the savage and civilized man, yet with all his qualifications he suffers with anxieties for creature comforts which he is so able and willing to create; but money being wanted there is no connection between him and the undeveloped elements that surround him.

Tradition as well as law forces this condition of things upon the people. It is money, money, money: everything must be done with money. Farms, factories and mines may be numerous, yet neither they nor their product can be used without money. How important then that money should be issued and distributed sufficient for all purposes. And we believe that governments are more deficient in their system of distribution of money, than in a short supply—for money, like water and manure becomes valuable by being distributed. The bill herein is unobjectionable

in its supply, and *perfect* in its system of distribution; and being distributed by sovereign authority all the people share in the profits.

Less than forty years ago in California money was almost unknown, certainly unseen by many for months at a time. Yet by a custom then prevailing among the people, an anaka of wheat and a bullock hide passed for two dollars each, and a bar of soap (made by most farmers) one real each, as legal tender, the same as gold and silver money. Now we have no such traditional practices; no farmer or manufacturer can pay his help from the product of his farm or factory, and no grocer or trader would accept such as money for supplies. Money, money, money, the law and custom compels all to pay and all to receive. Now even gold and silver is objected to if it is not of full weight with the merchants. Currency rightly instituted and properly distributed, is the one thing needful for healthy, domestic exchange, and constant, lively and permanent business. The following quotation from Jonathan Duncan's work entitled, "Bank Charters," shows the middle ground occupied by money, its power to connect labor with the raw material, etc. Daniel de Lisle Brock, Governor of Guernsey was waited upon by a deputation of the principal townsmen of St. Peters, who requested his countenance and assistance toward the erection of a covered market, much wanted in that place. The Governor readily consented, and asked in what way he could assist them most effectually. He was informed the principal difficulty was to raise the required funds. The Governor replied, if that was the only difficulty he thought he could surmount it, but would first ask, if they had the required amount of stores of brick, timber, granite, and flags; but above all had they the skilled artisans and laborers required for the building of the market. They replied, there is no want of labor or raw material; that their difficulty was chiefly financial. "Oh!" said the Governor, "if that is all you want, I will as Governor, sign, stamp, declare legal tender, and issue five thousand one pound market notes; with these to pay for material and labor, go to work and build your market." In process of time the market was finished.

It will be observed in this case that money was the *connecting link* that enabled the laborers and skilled artisans to organize or build the raw material of brick, granite, etc., into a market, and

without the currency the laborers would not have been employed, nor the raw material appropriated in the construction of the market for the use of the people of Guernsey. Even so the United States or these Islands have no lack of raw material or element wealth, nor laborers, nor skilled artisans, to construct, to develop and to produce food, clothing and habitations for all the people to fare sumptuously; all we lack is money, plenty and properly distributed, and we claim that our Government can coin "stamp and declare legal tender," and issue sufficient for all exchange, and if instituted and distributed according to the provisions contained in this bill, it will be a self-redeeming and a revenue-producing currency, and always worth one hundred cents to the dollar for all domestic purposes. It will be self-redeeming, because the borrower is compelled to carry it back to redeem his property, etc. It will be revenue-producing because the Government receives the interest for all outstanding currency. The great importance of money, its power for good or evil, its governing influence in all enterprises, in all departments of business or productive industry, demands that its supply should be controlled with judgment and responsibility, and issued, distributed and redeemed with a certainty heretofore unknown.

A principle that promises as much good, unmixed with evil, as this bill does, should at least be tried, as it combines every good quality existing in all other money systems. There is nothing, but the morals of man, that so much needs improvement as government finance and currency.

Man has enlarged his dominion over matter by various discoveries and improvements the past half century; but no improvement has been made in government finance and currency the last two hundred years, without the mutilated greenback of America could be called an improvement. General Grant said the greenback as a national money "is the best that has ever been devised." In his day the within banking bill was not known.

CHAPTER XI.

"STANDARD OF VALUE" AND "MEASURE OF VALUE" DEFINED.

What confuses the common people, when considering the money question, is the confused utterances made by legislators, editors and others in their speeches and writing upon the subject. We don't like to say this is purposely done; neither do we charge it to ignorance; but the following utterances certainly confuse, if they don't shroud the subject in mystery: "It won't do to have more than one standard of value, and that should be gold." "We must have a double standard of value, using both silver and gold, as gold is too scarce to use exclusively as a standard." "We must use paper as a standard to supplement gold and silver, as the latter is too scarce to do the business of the country." These together with a "gold standard," a "gold and silver standard," a "double standard," a "single standard," a "measure of value," a "standard of value," and similar expressions serve more to darken than to enlighten the understanding.

The above and similar expressions as used, make no distinction between a *standard* of value and a *measure* of value, but indicate that if gold is the standard, silver and paper if used as money at all must also be standards. Yet the difference is so great and the subject has been so much discussed, one is surprised that all thinkers should not be able to distinguish between them. The difference is: a *standard* of value must have inherently a fixed and permanent value; whereas, a measure of value is fixed by law. "Congress shall have power to coin money, regulate the value thereof." They have power to make two cent, five cent or ten cent letter stamps, or $2, $5, $20 greenbacks, upon pieces of paper intrinsically of no value; or they can say that so many grains of gold and so many of silver shall constitute a measure of value, according to a gold standard; although the bullion value

of each measure may be much less than its face value fixed by law.

To illustrate, 3 barley corns make one inch; 12 inches 1 foot, etc.: We see by this that barley corns are the standard of length, yet no one would think of using barley corns for measures of length, but instead they use rules, yards, rods, chains, etc., made of tape, wood, iron, steel, etc. Again, 24 grains make 1 pennyweight; 20 pennyweights 1 ounce; 12 ounces 1 pound. Here grains are again used, but this time as a standard of weight. But who ever saw a weight, even a pennyweight, made of grains? But, instead, weights are made of lead, iron, brass, etc., into pennyweights, ounces, pounds, etc., but never of grains, although grains are the standard of weights.

No two materials that differ intrinsically from each other can be taken as a standard without confusion. Gold and silver can no more be taken jointly as a standard of value without confusion than barley corn and Indian corn, can both be declared standards of length. But gold may be chosen as the standard of value and any suitable material may be used as measures—gold, silver, copper, paper or any other material the sovereign may choose.

In further reasoning upon the *money standard* I should say, if we could have a *double standard* of value, upon the same principle we could have a treble and a quadruple standard, at least it looks so to me. But I don't believe in the double standard of value theory, any more than I do in a double standard of length, or a double standard of weights and measures. The above bill demands only a gold standard of value and its enactment would fix the value of all money *measures* to that of the standard, which would give us the best and most valuable money the world has ever used, made of gold, silver and paper and all a full legal tender.

The above bill provides only one standard of value—gold, but many measures made of several different kinds of material, and for all purposes of trade the measures equal the established standard, their value being fixed by law to that of the standard. The law makers select the standard, but its value is inherent and by nature comparatively unchangeable; but the value of the measures, as above stated, must be fixed by law, and intrinsically no value is required.

CHAPTER XII.

THE TRADE DOLLAR.

A Copy.

It has always been a puzzle to many people why the trade dollar should sell at a discount, containing more silver than the ordinary dollar, while the ordinary dollar commands one hundred cents. An Eastern newspaper contemporary, putting the supposititious case of a teacher drilling his class in school, gets off this satire:

"Teacher—Now, boys, what is this I have in my hand? All the boys—It's a dollar. Teacher—Yes; it's a legal tender dollar. It is called the dollar of the fathers. How much silver does it contain? Small boy—412½ grains. Teacher—That's right. Now what do you call this? It's also a silver dollar; but what is it called? Small boy—(after examination); It's a trade dollar. Teacher—That's right. Now how much silver does it contain? Small boy—420 grains. Teacher—how much is it worth? No answer from the boys. Teacher—Well, it's worth 90 cents. All the boys—It is worth 90 cents. Teacher—Now, boys, tell me why it is that the dollar containing 412½ grains of silver is worth 100 cents, while the dollar containing 420 is worth only 90 cents. None of the boys could answer."

The Two Dollars.

The fact that the United States "standard dollar," containing 412½ grains of silver, is worth more than the trade dollar which contains 420 grains of silver, appears to puzzle all minds that fail to distinguish between bullion and money. The trade dollar is not money, but it is coined bullion, a commercial commodity, to be bought and sold like other commodities, and represents itself. It has no legal value, and is worth about 420 grains of

silver bullion. The "standard dollar" was made a legal tender; a representative of sovereign power. In fact, made money—a tool to work with.

With money we can measure and float values, pay debts, tariffs and taxes, build and run railroads, telegraphs, factories, etc., open, cultivate and improve farms and mines, develop the country, transact business and create wealth. Comparatively all things can be done with money; without it, but little; all of the above-mentioned powers were given to the standard dollar by law, not by grains of silver. The "trade dollar" possesses no legal powers and only grains of silver gives it value.

Yes, the Government coined both dollars, and as a mechanical piece of work, did a creditable job. But, wanting some money to assist in specie resumption and to satisfy the demands of the people, Congress made the standard dollar *money* a full tender in payment of debts and redemption purposes, and by that Act gave it all the advantage it has over the trade dollar; and if it had contained only 82½ grains of silver with all of the above sovereign or legal powers, it would have been worth 100 cents for all of the above mentioned purposes. As legal value is the only value required for national money, the metal upon which the sovereign power is stamped is only the legalized agent of the sovereign to express the power of money, and 82½ grains of silver would be ample for that purpose.

And (let me whisper it) if the United States standard dollar was relieved of four-fifths of its objectionable bulky nature, we would think the coin greatly improved, and be more acceptable as a business tool than the present standard dollar; as the same weight of metal would then perform five times as much labor as it does now, and yet circulate more readily at 100 cents to the dollar, if coined and circulated as this bill provides.

CHAPTER XIII.

OUR VICIOUS MONEY SYSTEM.

No Change in Policy.

The two dominant political parties that have alternately held power for a number of years past have followed the same line on the money question.

War has been declared by money reformers against our present money systems. The hosts are being marshaled for the fray, excitement and determination are on a high key, and the demand for a change urgent, being pressed on by public opinion and by the loss and misery now being suffered by our people, and by the financial humiliation of our Government, brought on them by our vicious money systems.

The decree has gone forth the old currency systems must and shall be abolished and a better system substituted, a system that will supply public money, ample for all business and good for all time, made of gold, silver and paper, every dollar of it worth as much as every other dollar and always obtainable upon good security. The same to be a full legal tender, safe, sound and flexible, issued, owned and loaned, by the people through their own instrumentality.

Loaned to the Government, to the States and to individuals, at an interest not to exceed 3% per annum. Securities to be, Government bonds, State bonds, bullion and real estate. The borrower or his property must redeem all the money he borrows, the same as the banker or his property now redeems the National Bank note. Such is the desire and demand (in spirit if not in word) of all currency reformers to replace the old systems. This new system may look difficult at first sight, but if understood and administered through a government banking department, it would be plain, practical and complete, as the banks would all be

saving and deposit banks as well as banks of loaning. Surely such a reform is a worthy object to contend for and should claim the attention and assistance of the American people, as, after this financial machine was put in motion it would belong to them, and it would be the first bank ever organized in America at least, wherein *all the people would be stockholders*, and from that on, the *people would be the money power* and their Government be no more humiliated by being compelled to beg money from abroad or from a syndicate of bankers.

The people and their Government would then be financially free, to enjoy more of that freedom guaranteed to them by their Constitution. They would have a fountain of currency that never dried from which all could draw, upon the same conditions.

The thoughtful may perceive, that had the above outlined money system been working the past eight years, both the people and their Government would have escaped the financial suffering that was forced upon them during the time by our vicious money systems which are deficient in amount and imperfect in distribution. The free unlimited coinage of silver will come no nearer preventing money flurries, and money panics, or supplying the system of money above demanded than did the free coinage of gold or the issue of National Bank notes, as they are all private money—Shylock money—demanding, not interest only, but usury, always manipulated by the money power for selfish ends, always giving trouble and subject to flurries and panics.

Such has been the fruits of private money the past century, and as nothing better can be hoped for from such systems in the future, a change is demanded to a system of public money as above indicated, then money will be always in reach of the business community at an equitable rate of interest.

An important question is: What political party will enact the necessary law to give us the currency above demanded. Surely, the Democrats will not do it, as they have had several urgent opportunities to have enacted such a law the past century, but they did not do it. They had ample power and could have given us the currency demanded in 1893 but they did not do it. The Democrats charge the Republicans—and justly so—for the hard times and money panic brought upon the country by destroying the greenbacks and other treasury notes in 1871, 1872

and 1873. Also for the dull times and failures of 1889, 1890, 1891 and 1892 brought on they charge by a "high protective tariff." The Democrats succeeded in making the people believe this imaginary statement at the 1892 election, the consequence was the Democrats were hoisted again to power, since then failures multiplied and times grew rapidly worse, yet nothing was done by them to relieve the situation. The Republicans are no more to be relied upon for enacting a law that would give us an ample, safe, sound and flexible currency than the Democrats, as they held power 27 years of the 35 last past and during that time there has been two conspicuous money panics with the loss and misery they produced, the two lasting at least a decade of that time, and several money flurries also, yet nothing was done by the Republicans to cure or prevent these afflictions. They have now been voted again into power, but they have conspiculously decided to keep the money question just where it is, and where it has been these many years, viz: have only private money and no increase in amount. Yes, I know McKinley proposes restoring a high protective tariff as a panacea for our present financial affliction, but I can't believe a high tariff will arrest our present money panic or prevent new ones, as we have had in the past money panics under both high and low tariffs.

The panic of 1873 occurred under the Morrill tariff which averaged 48%. The panic of 1893 occurred under the McKinley tariff wich averaged 58%. If the most accute period of our present panic occurred under that tariff, restoring it could have but little effect toward arresting that same panic.

A high tariff would possibly start a few factories, but if kept going, a few thousand laborers only could be employed, which would effect but little, as it is millions, not thousands that require employment before prosperity could be assured.

Yes, McKinley is intelligent, honest, and well meaning and has been a conspicuous figure in partisan politics for years, yet with all history before him, high tariffs are the only thing proposed by him to cure our present financial affliction and prevent new ones.

We had money panics under unlimited coinage of gold and silver, panics under an exclusive gold standard, and panics under a bimetallic currency, which proves that it is the working of our vile system of *private money* that is at fault, not "tariff," "tariff

agitation," or the material upon which money is stamped. And as long as America adheres to its exclusive use of private money, just so long will it be afflicted periodically with money panics.

The Republicans charge our present financial and business depression to the Democrats on account of their "tariff agitation." Yet the Republicans enacted all the laws that brought it on. Our present money affliction—as may be seen further along—commenced and run through the whole four years of President Harrison's administration and the Democrats inherited it from the Republicans, and they have run it through successfully the whole four years of President Cleveland's last term, and I must confess, they return it to the Republicans unimproved by their tariff tinkering and relieving the Government from the burden of coining fifty-four million dollars silver yearly for the people besides borrowing one hundred and sixty-two million dollars to run the Government. The Republicans may yet improve it by destroying the greenbacks and organizing more National Banks to further rob depositors.

The Democrats formulated the American money policy almost exclusively from the formation of the Government to 1862, and money flurries and panics followed frequently as natural consequences during those many years. The Whigs and other parties who temporarily held power during those years, followed the Democratic money policy of providing *only private money* for public and private use.

Since 1861 the Republicans have enacted our currency laws and it was the effect of those laws that brought on the 1873 panic and under and by virtue of those laws we are now suffering another money panic which began to be seriously felt in 1889 with 10,882 commercial failures; 1890, 10,907; 1891, 12,273; 1892, 12,000; 1893, 16,650; 1894, 15,560; 1895, 13,197; 1896, 15,286. A formidable list of failures truly for the eight years, averaging yearly 13,356 commercial failures during the eight years, besides the hundreds of bank failures, closed factories, thousands driven from their homes by foreclosures, and millions of enforced idle workmen, with all the loss and misery that that implies. 46,362 of the above failures occurring under President Harrison's administration which the Republicans claim as "prosperous years."

If a law had been enacted during the early symptoms of the

then approaching panic in 1888 or 1889 authorizing the making and distributing of *public money* direct to the people, the losses and failures during the past eight years would have been only normal, and instead of the direct loss of eight billion dollars by idle capital, idle labor, idle machinery and depreciation of values the past eight years, at least one billion of new wealth would have been added to the wealth of the nation each year. So instead of an eight billion loss we would have gained eight billion, thus increasing the nation's wealth many billions more than can be found in the nation to-day. This seems too much of a loss to suffer from blind and selfish leaders, but we must not expect anything better from those who trust to their own wisdom and make gold their God, we read, "The wisdom of your wise men shall perish and the understanding of the prudent shall be hid." This prediction seems to have fallen with whithering effect upon our nation when viewing the effects of the acts of our professional statesmen and partisan politicians. No one competent to mentally digest the above will deny its truth.

The Democrats and Republicans having formulated the money policy of the country must be held responsible for every money panic and all loss and misery growing out of them, for on the money question they are one and no improvement of their proposing is yet in sight.

So all who have suffered from loss of property, loss of business, or from enforced idleness on account of our vicious money systems who again votes either of the old parties into power will be guilty of helping to pave the way for another financial affliction a few years hence similar to the one we are now passing through. For such is the legitimate fruit of their money policy as history fully attest. No money reform should be looked for worth naming from either of the old partisan political parties, they are wed to their old party doctrines.

The Populist seem the only party almost ready to take hold of this matter, as they have declared for *public money* since their first organization, but before they can consistently work for public money alone, their platform should be turned and all demands for more private money eliminated, as it seems unwise, and confusing, to demand both public and private money in the same platform. It is like the fig tree producing both figs

and thistles or the fountain sending forth sweet water and bitter.

The people have had thistles and bitter water enough from our present private money systems and no more bitter fruits should be offered them, figs and sweet water in the shape of public money only should be given. Such as the above bill calls for, as that would be the only effective medicine that would cure all the financial evils we now suffer.

I believe with this plain constitutional demand the party advocating it would certainly succeed in its establishment.

The free coinage of silver having been rejected by a fair vote of the American people should never again be urged, as a much better way is now known.

CHAPTER XIV.

MONEY—ITS PROPER DISTRIBUTION.

The proper distribution of money is an important part of the financial machinery necessary for supplying the people with an adequate currency, without the proper machinery no people can be justly supplied with money. An adequate supply of money is one thing, and supplying business with money another.

Money like water and manure become useful by being distributed. There may be an ample supply of money in the country at the present time to fill every legitimate demand if it could be circulated, but all our money being *private* money, it cannot be circulated when its owner refuses, or when he demands a greater interest than the industries can afford to pay, in this case his selfishness prevent money from circulating. But man's timidity is the greater hindrance to money circulation, as it causes it to be hid up in napkins or locked in bank vaults, whose officers cannot or as they say "dare not lend it until they know the end of our present trouble." Meanwhile the business of the whole country suffers for want of the money that cannot be circulated. We attribute no wrong to private money owners for refusing to loan when they think their interest is best served by so doing. The fault lays with Congress in not creating *public money* and a system of supply and distribution for the use of the people, when private money owners and bankers refuse, and thus keep business alive and save the country from wreck and ruin.

For want of public money and a national system for its distribution, many of our citizens now pay and for a long time past have paid 15% per annum for the use of money, while some sections of our country pay less than one-third of that sum, and the National Bank owners get from the Government all the currency they can secure for 1%, thus inflicting a manifest injustice upon the people of a large part of our country by making

them pay 5 times as much for the use of money as it is worth invested in the industries, while others get all they want for 1%.

The importance of a just and adequate distribution of money has never been fully considered by our law makers, they have acted less wisely than organizations of less power.

Witness our municipal officers to whom is assigned the duty of supplying the citizens with water—they do not consider their duty performed when they have built the reservoirs and filled them with an ample supply of water for every citizen, but when they have laid their mains from the reservoirs and distributing pipes to every house, garden and park and filled them with a lasting, healthy supply, then, only is their duty performed.

The inhabitants of a city would be as well supplied with water in the reservoirs only, without the distributing pipes as the people of the United States have been supplied with money. There may have been an ample supply in the reservoirs (banks), but outside a few private money springs only, the people were allowed to drink, and the money from those were so unreliable and limited that money panics business depression, suffering, misery and death were the fruit thereof; and all because we have no law authorizing a full supply of *public* money and its just distribution.

Again the Architect of the universe when He organized this earth and placed more than a supply of water upon it to sustain all animals and vegetation that could be brought upon its face, knew that without subjecting the water to his law of distribution the earth would be a barren waste, and his work was not pronounced *good* until He spake and "a mist went up from the earth and watered the whole face of the ground," and because of that law of distribution the earth still remains fruitful.

For want of a law creating an ample supply of public money, and a just and sure way of distribution, the people of these States have suffered in times of panic, mentally, physically and financially beyond computing. This periodical loss and suffering, has afflicted our people the past hundred years, and no relief yet in sight, save the inauguration of public money as demanded in these pages. No private money system can ever prevent the affliction, if it could, the past hundred years was ample time for it to act, as private money was our only money during that time.

A large supply of money without a definite system of circulation, may be of no more value to the people than water in distant reservoir would be to citizens of a town without distributing pipes, or water in ponds, lakes and oceans would be in keeping the earth fruitful without the provision of nature for its distribution.

In 1865 we had in our money reservoirs $2,111,678,684, which may have been ample to satisfy every demand, could it have been circulated. But alas! it being *private money* there was no power then known, equal to the task of circulating it, and it continued hoarded in the banks of the great cities until the Government redeemed and destroyed near one and one-quarter billion dollars of it, at a time when the business of one-half of the country was clamoring for money and paying 15% per annum for its use when it could get it.

Had Congress coverted this vast sum into *public money*—that is money owned by the public—instead of destroying it, empowered the Government to send it South and West and loaned it to the people for 3% per annum and continued to do so to the present time, the country would have been $30,000,000,000 more wealthy than it now is, as it would have escaped the 1873 panic with all its loss and misery, and also the 1893 panic with all its loss and "hard times," with which the people have been afflicted the past eight years. Some statistics places our loss the past eight years from depreciation of property alone at $16,000,000,000 and the loss from the same cause during the seventies no doubt approximated that sum.

Depreciation in the value of property is not the only loss arising from a money panic, idle labor, idle capital—ships, railroads, factories, money, etc.—foot up a large sum.

The estimated loss from this enforced idleness during the six years, the cause rested upon the country in the seventies was estimated five million dollars per day, and no doubt the same figures would be a conservative estimate for the past eight years. Thus 14 years of this idleness adds over $25,000,000,000 more loss to the depreciation losses suffered by the people from the consequences arising from those two money panics, all this come upon the people, because Congress destroyed the money—(the life of business) when it should have distributed it by loaning.

Had this money been loaned by the Government for 3%, instead of destroying it, the Government could have paid on its obligations all it has paid, made all national improvements, it has made and accumulated $780,000,000 (less expense) which it would have received from its loaned currency.

This is not all, the people must be again considered. Had the Government loaned this money to every citizen for 3% at that time, the same as it was then loaning to National Bank owners for 1%, it would have reduced interest from an average of 7% to about 3½% throughout the whole country, and thus relieved the business of the country of one-half of its interest burden approximating $21,000,000 annually, or for the 26 years $546,000,000. It is suggested this latter estimate is too low. Which may be true, but as the estimated losses only approximates to show what great losses the people and the Government have sustained the past 26 years because Congress failed to perform its constitutional money duty. However, as these losses have now been indured it will not become the American people to "Grieve after spilled milk," but it will much become them to provide against all such future losses. To point the way is the burden of these pages by demanding of Congress the enactment of the foregoing bill, which would produce all the money business requires, and distribute it through a Government banking department by loaning to every citizen for 3% per annum who demands it and furnishes the required security, in large or small sums, $50 to a poor man, will not be considered too small to require the attention of the department officials or a half million too much to the rich, to corporations and to States. Under that bill money would be distributed to the people with as much certainty as the Government now distributes currency to owners of National Banks.

Now, although the American Government is one of the largest banking institutions known, supplies more capital and lends larger sums of money than any other, yet no producer of wealth whatever his need or security, can borrow money of the Government. Producers must borrow from those to whom the Government lends or elsewhere.

Such favoritism and injustice would be changed under the bill above referred to, as it would meet out financial justice to every citizen without regard to color, creed or business, whether banker, merchant, farmer, manufacturer, miner or speculator, all

will stand equal before that law. A currency instituted and distributed as this theory provides would spread over and bless a country measurably like the beautiful regulation of Nature in its distribution of moisture.

The atmosphere taking it up from the great reservoirs—the lakes, and oceans, and transporting it inland and distributing it upon mountain and plain for the benefit of man and beast, creating wealth, beauty and life, feeding the fountain, swelling the rivers and lakes on its way back to the reservoirs, where it is again taken up and distributed, and so on while the earth shall last. Even so this currency would be spread over the country by the distributing agents, to bless all avenues of trade and industry, and then flow back through the arteries of trade to the *great banking department*, from there the agents of the law again distributes it over the country, there to assist in producing and exchanging wealth and comforts for the use of man, which flow down through the channels of transportation, trade and commerce, contributing to the building up of cities as well as the country, filling the ships that spread unnumbered comforts over the world for the happiness of man. To do this *money must be distributed*, as *it* is the life blood of production and business under our civilation.

It is too late to urge constitutional or other objections against the establishing of a banking department of our Government after having loaned its cash and credits to large corporations (railroads, etc.) and loaned hundreds of millions of currency to the National Banks, issued and redeemed large amounts of its own notes (greenbacks, etc.). Besides receiving money on deposit and issuing certificates for the same, and doing other banking business, all of which should be done and more too, by an organized banking department always open for business and, at whose counter no citizen that applied for a loan should be refused if he offered the legal security. An equitable interest, about 3% per annum only, should be required for its use. All offerings of the banks' money as deposits, should be received and a certificate given for the same, payable on demand with an interest of 2½% per annum.

This would insure a more *just distribution of money* under public administration, than can be found anywhere on the earth, and the profits would belong to all the people.

CHAPTER XV.

FINANCE AND CURRENCY.

The powers granted to Congress by the Constitution, none we believe are neglected, slighted or farmed out, save the right and duty of supplying our industries with money. This duty Congress has seen proper to hand over—not to the States from whom it received it, but to individuals and private corporations—profits as well as the business all given away. Even the currency issue, although the duty of Congress and ordinarily very profitable has been farmed out to corporations and the Government indirectly pays interest on all issues of currency thus farmed out, although *loaning* the currency to the banks. This may be an exceptional instance where a lender of money paid interest on his loans, instead of receiving it. Prudent business men don't pay interest on the money they loan. Unfortunately our Government does, as the currency it loans to the National Banks for 1% is secured by bonds upon which the Government originally paid 6%. Congress by its act said to the bankers, "you buy my bonds, I will pay you 6% interest per annum and loan you 90% of the money to buy them with and only charge 1% for what you borrow. You will only have to furnish 10% of your own money to buy my bonds, so you will get 60% on the money *you* furnish, and pay me 1% only for what I loan you—see." The banker by his action says, *"of course I see!"* Such statesmanship and financiering on the part of Congress is not to be commended. The bill herein advocated, if enacted, would inforce a wiser course. It creates a public money owned and loaned by the people to the Government, to the States and to every citizen who furnish the required security, all to be administered by the people's banking department.

CHAPTER XVI.

HOW MUCH CURRENCY?

How much currency should a people have? Answer, enough for legitimate exchange. What is the *natural law* of money supply? Answer, demand for use. What should govern the money supply? Answer, the natural law. The above are all pertinent questions and answers.

Congress has always acted as though *it* was both the natural and constitutional law, upon the subject, but as natural laws never change, and Congress having changed the relative amount of money so frequently and thereby created panic, misery and confusion, we think it mistaken when it assumes the whole right to regulate the amount of money the people should use, by so doing it has usurped a function of the natural law. In 1865 Congress provided a trifle more than $58 per capita for the use of the people, about this time Congress believed the people had too much money and began to contract it, and continued decreasing its volume either by direct or indirect means until 1877 when $13 per capita alone remained to the people, and that was all private money and could only be circulated as its owner willed. The result was the 1873 panic running through a number of years with its usual effect of loss and misery. During those years the people demanded and implored for more money to effect their exchanges, offering in some cases 4% per month interest and good security, without avail, the natural law of money supply had been disregarded by the nation's servants, and the punishment followed as a natural consequence.

Mr. Sears says, "Demand for use is the Natural Law of volume. Therefore arbitrary limitation of the volume of money is a violation of the natural law and is void of right, as would be a like limitation of production and exchange."

Inasmuch then as money was created to assist production and exchange, one should no more be limited than the others, all are

under the same natural law. Limiting the volume of money limits production and exchange as effectually as though the statute had been aimed at production. "Demand for use," should be the only limit of money supply and strictly followed.

All nations that disregard the natural law of money supply, by fixing an arbitrary limit as "$15 per capita," or "$800,000,000," etc., for a whole people, have been and will be punished. If a minimum amount of currency is only authorized being sufficient only for the dull parts of the year, business must necessarily suffer for a medium during flush times when a maximum amount is required, or if fixed amounts should prove sufficient for this year, it may be too small for next, when much of it is unavailable by reason of loss or by hoarding, by increased production and other causes making greater demand for money with less for use than existed last year. So making it more difficult and expensive to do business as time rolls on, until a money panic with all its horrors is forced upon the people. Such being the effect of trying to regulate the supply of money by ignoring the natural law.

A public money owned and loaned by the people and administered through a banking department will steer the nation clear of money panics, by loaning money on *demand* and *always when legally* demanded.

To impower the Government to make a money for the use of the industries, in amounts so limited, and distribution so imperfect that no aid can be given to either Government or people in times of great need, seems unwise, unstatesmanlike, and should be remedied by the organization of the Government banking department above referred to.

Congress is as much bound to make money enough for legitimate use and furnish it by loaning to those who demand it, as it is to provide postal facilities sufficient to accommodate all correspondence, or as it is to perform any other constitutional duty. In fact all other constitutional duties seems well performed by Congress except money supply and its distribution, this Congress has seen proper to farm out to corporations, particularly the distribution of money and the issue of Notes. Thus shirking its own duty, ignoring the natural law and placing production and the whole business of the country to be fostered or depressed by the whims of selfish man, our present money panic and all former ones has been the result. All of this loss

and suffering will hereafter be avoided if the people will enforce the enactment of the above bill and thus repossess themselves of the plenary power over the supply and distribution of money. Then money (a creation of law) will command an average interest of 3%, which approximates an equitable one. If the people could obtain money at the same rate per cent. as the industries yield net, no complaint would be heard.

A citizen borrowing the one-third value of his estate at 12% interest, and his property netting only 3% thus pays for the use of money the whole net income of his property leaving nothing for his own investment. Such is the condition of thousands of American homes.

The farmers of a certain part of the Pacific Coast, are said to have borrowed eight million dollars at an interest of 12% per annum. They must pay or have bound themselves to pay an interest equaling the whole net income of the entire mortgaged property. If they do not receive timely aid, that is, money at a more just rate of interest, most of the farms must pass into the hands of the money lenders and they compelled to seek other homes, or become tenants, day laborers or tramps. Here would come in one of the most inestimable blessings to American citizens. If the people created, owned and loaned public money in pursuance of the natural law. Then citizens situated as the above could borrow money at 3% and retain their homes and respectability with whatever that implies.

The evils arising from a currency limited by law, is intensively aggravated and continually decreased by hoarding in Government vaults, state, county and municipal treasuries, bank reserves, misers, safes and many other receptacles, which always hold a part of this too limited currency and renders this limited currency still more limited as what is thus permanently held is not in circulation.

When a currency limited to $58.41 per head as in 1864 with the people enjoying reasonable prosperity. Then to have it taken from them by legal contraction, until it was reduced to $13 per capita as in 1877, with the hoarding contraction as above stated, thus leaving but a small amount of business life-blood in circulation among the people, seems not only unwise and unstatesmanlike but absolutely cruel. Can it be wondered at that business failures increased from $8,566,000 in 1864 to $300,000,-

000 in 1876, or that the business of the country collapsed in 1873 into the worst money panic America ever suffered up to that time. So the only safe course is to let *demand* for *use* decide the amount of currency required for business purposes. The above banking bill provides for money to be circulated in pursuance of the natural law. Then if hundreds of millions of dollars were hoarded in Government vaults, State treasuries, banks, etc., no evil effects could flow from it, as there would be money enough for all to borrow and borrowers enough for all to lend.

CHAPTER XVII.

THE ABOLITION OF POVERTY.

The heading of this article has been the text of many a sermon and written by men of deep thought, and benevolent natures. It is not probable even if it is possible that poverty will be abolished without very great improvement in mankind. But while perfection may not be attained, every advancement towards it should be encouraged, and if, by any means, one of the leading causes of the evil can be reached and shorn of a majority of its powers, such means should be made use of, and such shearing should be a jubilee.

The improvident, the intemperate, and the lazy alone will be sufficient while they exist, to prevent the fruition of the hope implied by the text. However, the classes above named form but a very small percentage of those who are oppressed in a greater or less degree by poverty. It may be fairly claimed that every producer who is compelled to pay from his product an interest greater than the return from his labor and the money borrowed is, so oppressed, that it is merely a question of time when he shall be despoiled of his property. If the combined industries of the United States earn 3% a year, and pay for money 6% a year, the intelligent American can reckon with certainty the date of absorption. This is the leading cause of bankruptcy and poverty among the producers. A class by itself has grown into such power that they are able to control Legislation so as to prevent the producer from getting the full value of their products. The tool, money which was and should still be, a measure and means of exchanging values, a mere servant for the purpose, has, under the manipulation of this class, become the object of exchange, no longer the servant but the master, the producer must pay his tribute to the class or they will push him to the wall.

The first great step towards the abolition of poverty is for the

Government to furnish to producers of all kinds, a cheap and stable money which all may freely get on presentation of as good security to the Government as would be required by the money changers, when this is done much of the interest burden now weighing them down will be lifted and no bankrupt court or foreclosure would ever be required as long as the interest (now reduced to under this bill to 3%) is paid when due.

It is the high rate of interest, not the money loaned, that causes the sacrifice of mortgaged property, hence many now driven from their homes by a 10% or 15% interest would no doubt be able to pay 3% and save their homes, and thus this much poverty would be abolished.

CHAPTER XVIII.

A CRITICISM ON SIMON NEWCOMB'S "A. B. C. OF FINANCE."

All must agree that have read the book that it is truly what it professes to be, viz: the "A. B. C. of Finance." As its arguments, its councils, its declarations of supposed facts and its repudiation of the powers of Government and civilized law would have been true and practicably applicable in the feudal ages, when our fathers had little or no internal commerce, and they transacted what little business they had both among themselves and with neighboring tribes by barter and gold and silver as bullion (not money) were used to settle balances between tribes as they are now between nations. It was the "A. B. C. of Finance" which Mr. Newcomb appears never to have got beyond.

I quote from pages 36 and 37 of his work, "To proceed further with the questions (capital and labor) we must first know something of the nature and functions of *money*. Here we come into a field where it is almost as necessary to unlearn as it is to learn. * * There are two entirely groundless ideas prevalent respecting the value of money * * The first idea to which I allude, is, that if anything is called a dollar by Act of Congress * * * it must therefore have a definite and fixed value. * * The second notion to be unlearned is, intimately associated with the former one. It is that Governments possess some wonderful power of giving value to money which every one must admit, but no one can explain."

Mr. Newcomb seems to infer that the world is now believing what he says they must "unlearn" before any "progress is possible."

We take issue with Mr. Newcomb on this question. We believe they should learn the power of civilized law as applied to money and many other things, they should lay aside their

traditional ideas, that they have been schooled in since the feudal ages, and thus pass on from their A. B. C. of money to a more perfect understanding of "what is money?" and the power of civilized law.

After passing their A. B. C., their next lesson on money will be to learn, that *money* is not gold or silver, but that it is *sovereign power* and that its value is fixed by *sovereign law* not by worth of material, sovereign law fixes the value of letter and revenue stamps, but 95 cents worth of gold, 50 cents worth of silver coined, and paper made into a dollar greenback their values are all fixed by law to 100 cents to the dollar as indicated by their face value. And it is known they all readily pass from hand to hand at their face value as measures of value according to a gold coin standard. Government bonds are made in pursuance of sovereign law and they are readily bought by investors at their face value in gold coin, and it will take only the same number of cheap money dollars to buy one, as it will gold dollars. Governments can pay salaries and debts with this money or purchase needed supplies. After the above showing, it must be confessed that when one writes "that no Government can create money value out of anything which it may chose to call money" such is yet truly in his "A. B. C. of Finance" as it appears from the above that civilized law—*sovereign power*—can add 5 cents to the gold dollar, 50 cents to the silver dollar, and 100 cents money value to the greenback, it certainly has power to make money out of any material it may chose. The power of *cheap money* has astonished man and created wonder in his breast. The old continental currency, faulty as it was, conquered England. England's issue of irredeemable currency conquered Napoleon. The issue of greenbacks conquered the Southern Confederacy and a like issue of "cheap money" by France freed her from the grasp of a German conqueror. These issues of *cheap money* by the powers named above, enabled them to raise, equip and pay armies, purchase, build and equip war vessels, and purchase all necessaries for prosecuting exhaustive wars and enabled their people to work with energy their farms, factories and mines, create wealth and enjoy prosperity as never before. Thus by creating this "cheap money" this money tool, this valuable product, by sovereign law, all of these great achievements were performed, yet Mr. Newcomb insists that

"no value can be created by law." All issues of cheap money have always been and always must be failure." What will Mr. Newcomb say to the following? The first $60,000,000 of "cheap money" issued after the commencement of the civil war as authorized by the enactments of July 17, 1861, and February 12, 1862, were made a full legal tender, without exception for all debts, dues and demands. And so valuable were they that when gold went up to 285% as compared to the issues of the greenback (which were only a partial legal tender) these *cheap money* notes went up also to 285%. They were accepted as gold for all domestic money purposes. How can this phenomenon be accounted for, if the Government had no power to make money *valuable by law*? The value of these $60,000,000 was not only regulated by law, but law declared them a *full legal tender* and they were always accepted as such wherever tendered, and the law creating the greenback denied them full legal tender power and they depreciated. This shows clearly that civilized law can both create and depress value which Mr. Newcomb asserts cannot be done. How will Mr. Newcomb reconcile the above fact with his declared idea, viz: "There is no case recorded in history of a Government issuing paper money not redeemable in gold or silver, and in quantities sufficient for commerce without that money depreciating."

Mr. Newcomb may answer "there was not sufficient for commerce" grant it, neither did the next issue of cheap money make sufficient, yet *it depreciated* as compared with gold. He may answer that "the Government promised to redeem them in gold," So it did the greenback issue, yet the latter depreciated and the first did not. The controlling fact in this case was, the first issue was made a full legal tender, the same as gold, while the next issue was shorn of much of its power like Sampson in the lap of Deliah.

There are those who believe in the power of civilized law and in the power of Governments to give value by law, to deeds, mortgages, contracts, records, money, etc., although all are made of paper containing no intrinsic value.

Our Constitution gives power to Congress to "coin money and regulate the value thereof." We see from the above reference that Congress has "coined money" and really "fixed its value"

and issued bills of credit as money and *fixed their value* and their value was equal to, and just as steady as gold in the case cited. Yet Mr. Newcomb says it *can't be done* and to believe it can "is a pure superstition," but we see it has been done time and again, in several instances besides the above mentioned.

The creation of money is not an enterprise or an industry that every citizen has a legal right to engage in, neither is it a product of nature, or of the physical or mental powers of man. Money is a tool that commands all tools, and the most important tool used in producing, measuring and exchanging wealth, and is made in pursuance of *sovereign* law only.

Page 42, he says, "Every man of intelligence knows that the coined money of all nations is worth only the gold which is in it, except the coin bears a slight premium owing to the certainty that it is the real metal. * * The stamp of Government goes for absolutely nothing except as a certificate of the weight and fineness of the metal."

Mr. Newcomb fails to distinguish between coined bullion and money, to assist him, I refer to the American trade dollar which is only coined bullion and has none of the qualities of money and although it contains 7½ grains of silver more than the ordinary dollar, the ordinary dollar which is a full tender, is worth more than the trade in the market. If there is no power in law to give value, how will Mr. Newcomb explain the different values of these two coins, seeing the one of the least value has the most metal in it. "Congress can't give value to anything," says Mr. Newcomb. If that be true, a Government bond is valueless, because the paper upon which it is printed is valueless, all laws are useless for the same reason. Cheap money has no value only as they can be exchanged for gold and so on to the end of the chapter. Can an intelligent thinking man believe such statements with the light of historical facts before him? Our Constitution gives the power to Congress to "coin money and regulate the value thereof," *issue bills of credit and fix their value,* etc., must we confess that there is no power in the Government to perform these functions that are demanded by our fundamental law?

Mr. Newcomb says, "Every man of intelligence knows that the coined money of all nations is worth only the gold which is in it." Every man of intelligence and Mr. Newcomb knows

no such thing, but Mr. Newcomb knows that all nations make their coined money light, to prevent other nations from drawing it from them when trade is against them, which would surely be done if the coins were of "full weight with the merchants." Notwithstanding all legal tender coins are of light weight, they pass readily at 100 cents to the dollar in the countries where they are made to circulate. If Mr. Newcomb had said, "No nation can give value to money by law to circulate in other nations we could not object, but he makes no distinction between domestic and foreign use, between national money and international balances to be paid in bullion. We quote "A maxim is often quoted which is true in one sense, but not true in another, * * It is said that the "dollar is anything which the law makes it." This *we* claim for truth, and ask Mr. Newcomb, if he ever saw money of any kind that was not made so, by the law of some country? I have seen coins not made by Government, and some made by Government that were not money, and they passed only for the worth of the metal they contained. The trade dollar is one of that kind, but legal tender money "is anything which the law makes it" and sovereigns make it of any kind of material they choose. They have the power and they do make it of gold, silver, paper and other material.

Mr. Newcomb reasons like an unscrupulous paid attorney, he quotes suppositions for facts, compares, supposes and asks foolish questions in order to show their weakness. That is, he sets up a man of straw, knocks it down and then tries to make people believe he has done wonders. As for instance, he says, "at this stage the reader may ask, 'what harm if the currency does depreciate? What difference whether it takes two or two dozen paper dollars to buy a pair of shoes so long as they pass current?' " I submit there never was such an unlikely question asked or ever will be asked by any of his readers. I am quite sure no cheap money man would seriously ask it, as it only exists in the gold board attorney's anxious brain, so as to give him an opportunity to use many words to show how unwise it was to use depreciated paper money which every school boy knew without the learned effort of a gold advocate. If Mr. Newcomb had supposedly asked "What difference does it make whether the money be gold, silver or paper so long as it all passed current at its face value," and then reasoned the paper

and silver money away as an evil, we should have admired his skill. Mr. Newcomb is so infatuated with gold he can see no value or virtue in any other kind of money.

Yet he says, "gold is made more valuable by being used as money;" that being true, the extra value is given to it by law, as it is the law that authorizes its use as money. Query—If the law can add value to a quantity of gold, why not to silver and to paper as money? Yet he ignores all legal value. All money is made and its value fixed in pursuance of some law. It must be remembered that gold and silver is not the money of civilization, but of feudalism and barbarism, paper money made its appearance since the dawn of civilization, hence it is the money of civilization.

At a bankers' meeting held at Saratoga some years ago, they reported that only 1½% of gold was used in the business of the country. An important enquiry may be here made, viz: If 98½% of the business of this country is now transacted without gold, is it not possible that the other 1½% could be transacted without causing confusion in business circles. The aim of Mr. Newcomb appears to be to make law appear ridiculous and thus make the acts of Congress a laughing stock, when they make cheap money. He further says, "If now, the reader will hereafter remember that, 'dollar' is only a word, not a thing, that calling a thing a dollar by Act of Congress * * does not make it worth twenty-three grains of gold, any more than calling a piece of paper a horse, and have it declared and stamped a horse by Act of Congress, would make it draw a carriage." The above is not sound reasoning, nor a supposable case, for while the Constitution does not give power to Congress to make horses out of paper to draw carriages. It does give them power (and they exercise it) to make measures of value out of 95 cents worth of gold, 50 cents worth of silver and a piece of paper worth 1 cent and declare them a legal measure of value for 23 grains of gold or 100 cents worth of any other kind of property. And as laughable, impossible and foolish as it may appear to Mr. Newcomb. Congress has actually "went and done" what the Constitution commands them to do and which Mr. Newcomb says they cannot do. If any further proof is wanted on this point to prove that Congress has and can make just measures of value out of other material than gold and silver. I could again point

to the first $60,000,000 of paper money issued during the late civil war, which never depreciated a farthing, but when gold went up to 285% this cheap money also went up to 285%.

Remember Mr. Newcomb, Congress made that *cheap money* by process of law, although you say they can't do it.

He says, "If Congress should enact that all the foot and yard measures of the country should be made of a kind of rubber which would shrink to nine inches in the course of a few months, but which were nevertheless stamped "one foot by Act of Congress" or "one yard" as the case might be, everybody would see at a glance how ridiculous it would be to buy and sell by such a measure." This is another unreasonable and an unsupposable case, as the Constitution gives Congress power to coin money and regulate the value thereof and only to fix the standard of weights and measures, not to make the measures of rubber or anything else, moreover Congressmen are not fools, that they should do such a supposeable foolish thing as making rules or yard measures of rubber, even had the duty been laid upon them of making the measures as well as to fix the standard, as in the case of money. Again he says, "All the difficulty of this matter arises from the fact that *value* is something which cannot be seen nor felt." This statement is true, but we think Mr. Newcomb did not mean to tell so plain a fact, as he has been telling us so much about the *value of gold,* the value of the *gold* dollar, the value of 23 grains of gold, etc., all through his A. B. C. of Finance. These values can both be seen and felt. The sentence is true, as money value is nothing more nor less than *sovereign power* and the material of the money is only the legalized agent of the sovereign to express the power of money. Mr. Newcomb has argued and I presume believes that all cheap money will depreciate if not redeemable in coin at the will of the holder. We believe that we have shown beyond a doubt, that Congress has a right to perform, and has accomplished what Mr. Newcomb says cannot be done, viz: made a cheap money that never depreciated and we believe this book shows clearly how it can be done again, and if circulated as this bill provides it will be cheap to the people as well as to the maker.

It shows how the Government can take 95 cents worth of gold, 50 cents worth of silver and a piece of paper, and make each into money that will justly measure 100 cents worth of any

kind of property, even gold and silver. "What," says Mr. Newcomb, "the Government make money out of 50 cents worth of silver, or a worthless piece of paper that will justly measure and pay for one dollar's worth of silver or gold? Impossible." Yet the Government is doing it every day, and has been at it for years, and if made, circulated and redeemed as this bill provides they will *all, always* be with as measures of value 100 cents to the dollar, no more, nor no less. Such would be *cheap money* in two ways, cheap to the maker and cheap to the people, because it would be loaned directly to those who use it. Thus differing from the cheap money of the National Banks which is loaned only to speculators for one per cent. interest who re-loan it to the producers of wealth, from 6 to 10 times that amount, and thus *it* becomes dear to those who use it, although made of cheap material.

CHAPTER XIX.

CURRENCY VOLUME.

Who Should Decide?

President Garfield, when speaking upon the above subject used these words: "But I admit freely that no Congress is wise enough to determine how much currency the country needs. There never was a body of men wise enough to do that. The volume of currency needed depends upon laws that are higher than Congress, and higher than Government. * * * The laws of trade alone can determine its quantity."

President Grant said: "The experience and judgment of the people can best decide just how much currency is required for the transacting of the business of the country. It is unsafe to leave the settlement of this question longer to the Secretary of the Treasury or to the Executive."

The above truths uttered by these noted men are just what every man would say, who had ever investigated and mastered the subject. We see all through the past ages, Emperors, Kings, Presidents, Parliaments, Congress, etc., trying to regulate the amount of money their people require. But assuming to decide a question that belong alone to trade, they invariably failed, as the trade depression, financial flurries and money panics fully attest.

And after all these lessons of failures, it is only the advanced thinkers like Grant and Garfield who have discovered that the "volume of currency needed depends upon laws that are higher than Congress and higher than Government. The laws of trade alone can determine its quantity." Yet speakers and writers the world over, bullionists and greenbackers, assume to dictate about the quantity of currency the people requires.

Witness our Congress, almost every session there has been more or less wrangling over the money question and what a botch they have made of it. Legislating upon the quantity of

money, a question. "There never was a body of men wise enough to determine."

Mr. Sears says: "The volume of money required for producing, utilizing and exchanging property is necessarily determined by the same law which governs production and exchange, viz: *demand for use.* Enough money for equivalent exchange is the law of volume. Therefore, arbitrary limitation of the volume of money is a violation of the natural law of exchange, and is void of right, as would be a like limitation of production and exchange."

The *quantity* of money required for the people's use, is not the only thing to be considered when discussing the money question. A *just* and *sure* way of *distribution* is also important. There may be food enough in the stable, but if the horse can't get it, it will starve as quickly as though none existed.

So it is with our money, there may be enough, but to the extent it does not circulate, it is the same to the people as though there were no money and the effect thereof has been sore upon the people the past eight years. Money to be useful must be *circulated* as well as created in full quantity.

The Government department banking bill advocated in these pages leaves the volume of money and its distribution to be decided by the natural law—"Demand for use" and as long as the natural law is allowed to act, under this bill there will never be a deficiency or a surplus in circulation. When there is money enough for all to borrow and borrowers enough for all to lend, our money system will be perfect.

When there are borrowers with good security but no money to be borrowed, or plenty of money but no borrowers, the system is imperfect and the country suffers loss; labor and capital are idle, trade languishes, failures are frequent. distrust prevails and suffering and misery abound, which is our present situation.

This bill if enacted by Congress is not intended to make a money for Europe, Asia or Africa, but only for the people of the United States.

This bill would produce only *public money,* a money never yet produced by our Congress so far as this writer knows. The exchanging, measuring and paying value of this money, its interest value, how loaned, how redeemed, how secured are all fixed by the bill. This bill creates money to assist production

and facilitate exchange, and makes it all worth just 100 cents to the dollar, no more, no less, though made of paper and silver as well as of gold. Let me ask did we ever have such a currency without a gold redemption? Or, a money system that drove out the poorer currency leaving only the best to circulate? Or a system that would distribute money in all parts of the country to rich and poor upon the same terms in either large or small sums at an equitable interest? Again I ask, would not the system outlined in the bill produce every item? Does any deny the constitutional right of the people to have Congress enact such a bill? No! Then let the people wake up and demand its enactment.

We have now been floundering in the slough of *private* money the past century and every few years almost sink beneath its mirery surface as it has proved itself unreliable and unsafe to stand upon, yet no safer place has been permitted though frequently demanded. And it is said the dominant party in the last campaign employed 1700 lecturers and expended $16,000,000 to prevent any change, so we must endure the private money affliction another four years before another attempt can be made to reach solid financial footing. Of course we must admit, the real *money question* never was fairly before the American people for their approval. The free coinage of silver only was prominent last presidential campaign and, we believe was justly settled, as, had it been otherwise settled, it would have rivetted the private money curse more firmly upon us without *touching* the *money question*.

Silver is only one of the materials upon which money may be stamped. The money question is, *"shall we continue the exclusive use of private money or shall we supplement it with public money*. Private money promises no improvement. Public money promises much as these pages testify. This being the case would it not be wise statesmanship to try for once *public* money by enacting the foregoing bill.

CHAPTER XX.

HARD TIMES.

Finance and Money.

Colonel Carroll D. Wright, in his last report on labor, says that "no less than one hundred and thirty-four separate and distinct causes have been assigned for the present depression in business and 'hard times.' Among them are given the following causes which induce money lenders to refuse loans."

"Change of administration, failure of banks, aggressiveness of capital, attitude of capital against labor, timidity of capital, want of confidence, corners, creation and monopoly of large corporations, the credit system, decrease of gold, dishonest currency, want of confidence in the Government, enforced idleness, high rate of interest charged the producing classes, high rents, enormous taxation, consolidation of wealth," etc.

If all of the 134 allegations have not been instrumental as charged, there are enough of them to frequently "induce money lenders to refuse loans and thus bring about 'hard times.'" As *hard times* are brought about by man's timidity and selfishness in hoarding and hiding away of money for fear of loosing it. Whereas times are always good in America when money circulates freely, and that would always be the case if a Government banking department should be established, such as the bill elsewhere referred to provides. Said department having power to loan and redeem money and only limited by business demands.

It is intimated in the report above referred to, that if money lenders did not refuse loans there would be no hard times, and that hard times would cease if money was freely circulated. This no doubt is a sensible and truthful conclusion, as no money panic ever occurred when money was in lively circulation among the people, and panics have been checked and money made plenty simply by an issue of new money. As it is said that Lord

John Russell—by straining a point and instructing the English bank to resume its discounts stopped an important panic in 1797, and made money plenty and cheap in all England, and the United States branch bank performed a similar feat in 1834.

During the rebellion, the Government circulated money liberally, and the whole northern people prospered as never before, the country grew richer year by year, notwithstanding a million of men were engaged in consuming and destroying most of the time and producing nothing.

The abundance of money enabled the people to more than make good the losses of war, and this prosperity continued after the war until Congress destroyed most of the money that caused the good times, reducing the per capita circulation from $58.41 in 1864 to $15 per capita in 1876, and the business of the country proportionately shrunk, and finally collapsed in 1873 into one of the worse money panics, or business depressions the country had ever suffered.

From the three historical facts above noted, this may be observed, the first two stopped what promised to become an important money panic by resuming the circulation of money and in the latter case a prolonged panic was brought on the country by the destruction of the greenbacks and other treasury notes, which were the life of business.

By the skilled hand of man and the intelligent direction of his brain, from eight to ten billions of property are yearly produced in these United States and it all has to be paid for in money while being produced and some of it of a crude nature has to be transformed many times at great expense before it is sufficiently refined for the use of man. The farmer produces the wheat, the miller the flour, the baker the bread. The miner extracts the oar, the manufacturer makes the crude and refined iron, steel of all grades, implements for rough work, and unnumbered instruments—cutlery, rough and refined made by different hands, and different manufacturers, and so on to the end of the chapter, through all kinds of production, and all grades of manufacture, and *money* is the tool of exchange as well as of production. It is burdensome to think that the character of our money institutions is such that selfish man holds the purse strings and has full charge of the head-gates and controls this vast and important currency stream, upon which all this and

all other business depends, and has power to check or foster at will the business of the country from which all the necessaries and luxuries of life for the people are drawn.

Can it be wondered at, that trouble and panic in business is so freqeuntly met with, when selfish timid man has charge of this stream of currency, seeing that many of the scarce-crows or bugaboos above named are constantly before his eyes and shouted in his ears, which frequently cause him to check the money stream and thus check business, before himself, sees any danger. But his interest, his selfishness is always urging him to "be cautious."

The selfishness and timidity of man, and the trouble arising from a panicy check to business, admonishes the people that their Government, not man, should control the money stream of the country, so as to keep business always healthy when man refuses loans. Governments are not selfish, man is, Government administers for the good of the people, man alone for himself.

Man is cautious, Government has nothing to fear; man can refuse loans, Government cannot. If the security is legal, man *dickers* for a larger interest, more security or a better opportunity, the Government could not procastinate or dicker about interest or security, as the law settles both, man may demand his money when the borrower is least able to pay, Government lets everything rest as long as the interest is promptly paid, man takes the largest interest he can get; Government takes only what the law allows. Government loans for the good of all, man for his own good. The profits on Government loans go to the people. The above with scores of other reasons should be sufficient to convince all, that no one with more selfishness or less power to serve the people than their Government, should ever be intrusted with the circulation of their business life-blood, by means of which all live and enjoy life. Caution is inherent in private money lenders, and prompts them to refuse loans upon slight alarm even when undoubted security is offered and plenty of money at command, this is well known. The people have the right and should demand a more sure and perfect distribution of money. They should demand a well spring of currency that never dries of which all may partake. Such would be the Government banking department above referred to which we

have been trying to impress upon the minds of the American people the past twenty-five years.

The enactment of the bill herein, would inaugurate the banking system referred to. Then there would be money enough for all to borrow and borrowers enough for all to lend. No more "hard times," no money panics possible under this *public money* system, which should be reason enough to justify its adoption, besides it *has every virtue claimed for all other money systems with none of their defects.* Improvements may be made in its details, but its fundamental principles *cannot be improved* as the party who makes, circulates and redeems the money is the Government, to whom the Constitution grants the right, and the profits go to the people to whom it belongs. This cannot be improved—its language may. This system allows everyone to loan all his money, and if need be provides the customer. Could any money system be more accommodating, or more just to every citizen?

All should favor a money system that promises so much good unmixed with evil, and "hard times," come again no more.

CHAPTER XXI.

LIMITING THE SUPPLY OF MONEY, LIMITS PRODUCTION AND OTHER BUSINESS.

As well should Congress deny the natural law of production by defining by statute how much should be produced, as to limit by law the amount of money to be used, as money is the tool in the hands of labor used to produce all wealth and should be limited only by the natural law, viz: "Demand for use." Money was invented for use in the industries to assist in producing, measuring and exchanging wealth.

Congress would not claim any right in itself, or any intention even of limiting production and business by statute, yet it is easily seen that limiting the tool by which all business is transacted and all wealth produced and thereby rendering it too scarce and too expensive to use, thereby indirectly limits production and business as effectually as though they had been limited by direct statute. None will deny that production and business would be greatly increased if money was supplied *on demand* to *every citizen* who produced the required security, and only 3% per annum interest charged for the same. A producer enabled to borrow at a 3% rate could afford to use in his business three times as much money as he could if he had to pay 10% for the tool to work with. It is plain to see, that more could be produced with $3,000 for which only 3% interest is paid, than could be produced with $1,000 and 10% interest. Less interest is paid per year for the large than for the small sum. Business men will use more money if 3% only is demanded, than if they had to pay 6%. They would use more at 6% than if they had to pay 12% or more as many do, and thus keep business healthy by keeping more money circulating among the people to pay labor, to produce products for export and home use, and distribute it after it is produced.

An abundance of money, plenty of money in circulation, does

produce enterprise, prosperity, progress and plenty. There is no doubt about that. So to insure prosperity and plenty there are three essentials required, viz: *Plenty of money, a sure way of circulating it,* and an equitable interest only—an equitable interest would be the average net income of money invested in the industries—agriculture, manufacture, mining, trading, etc.—which statistics inform us is less than 3% per annum in the United States. The claim "limiting the money of the country limits also production" is correct. Yet all money systems used in this country from its foundation have been limited in amount thus limiting labor, limiting production, limiting distribution of wealth, creating financial trouble and money panics with all the misery they imply. Congress is the only power in this country that can create money ample in amount, and cause its distribution in pursuance of the natural law, viz: *"Demand for use."* To fill this law and always have an ample supply of money to circulate. Congress has only to enact the foregoing bill. Then every blessing to be derived from an ample supply of *public money* at an equitable interest could always be realized. Then no more money flurries and money panics, or business, enterprise and production, checked or stopped for want of money, as money would always be available to those who have the security. Then no more money monopoly to injure business and bring loss and misery upon the people, as should owners of private money hoard it, no financial trouble could result of either a private or public nature, as this *public money* produced, owned and loaned by the people—would be ample to fill every channel of business vacated by private money, and fill every channel requiring money, that private money has been too timid to fill in times past.

We have now suffered untold financial losses, since the birth of our nation by the compulsory and exclusive use of *private money.*

Now, seeing we have suffered so much—financially, physically and mentally the past 120 years by the enforced use of private money and no improvement in our money, or any abatement in the evils its exclusive use entails are yet in sight, would it not be wise to try *public money,* that is money owned and loaned by the people, as that seems the only thing that promises relief and yet keep within the authority of the Constitution. It should *surely be tried* by enacting the bill above referred to.

CHAPTER XXII.

VIEWS OF MR. PRICE, PROFESSOR OF POLITICAL ECONOMY IN OXFORD UNIVERSITY, ON U. S. CURRENCY—COMMENTS ON THOSE VIEWS.

The press makes the Professor say in his lecture delivered in New York in October, 1874, upon the above subject, that the American currency is "shockingly bad" and says "there is only one step to be taken," viz: "extinction of inconvertable paper." He says, "The only object of currency is for exchanging for goods." That being true, no greater difficulty should be encountered to institute a currency to exchange all the goods, than there is to supply scales to weigh them, or measures to define their length, "If the currency is thoroughly convertable he don't think it is of great importance that there should be a large stock of gold, provided the currency is issued by an issuer who is perfectly safe and thoroughly responsible for the debt." If the currency is thoroughly convertable into gold on demand we fully agree with the above views of the Professor. But how the currency can be thoroughly convertable if issued upon the old theory of five dollars of currency to one of gold, the Professor does not inform us. To the question, why should not the Government be the issuer of convertable notes and derive a profit from them? He answers: "The profits belong to the nation, but a Government or a President are bad issuers of notes pledged to be paid on demand. You cannot get the Government of the United States into a bankrupt court."

From his frequent reference to the Bank of England, the Professor evidently has his eyes upon the old theory of banking —where the currency is inflated four hundred per cent., many of such have failed and others must fail sooner or later, and of course require the services of a bankrupt court to settle their estates. Such banking and principles of finance are no more adapted to do the business of the country in this century, than

the old Mexican carts with their ponderous wooden wheels and raw-hide fastenings would be to take the place of our wagons and railroads.

If the Professor had studied the improved theory of Government banking, he would have discovered that no bankrupt court would ever be required by the failure of such a bank. He would have seen that it would be as impossible for a combination of Stewarts, Vanderbilts, Astors and Rothschilds to force such a bank into a bankrupt court, as it would be for them to suspend the law of gravitation. It would be utterly impossible to break such a bank. Nothing but the power that created it could dissolve it. It would be co-existent with the Government that created it. The causes which break other banks would have a contrary effect upon this, for the more money legally drawn from this bank the richer it would become. The Professor would see in it every advantage he claims should attach to a national currency. He claims "one single form of issue is in the highest degree expedient." He also claims "the profits belong to the nation."

With this banking theory in operation, the nation would then receive it, but it would not receive it under any private banking system known.

Notwithstanding the Professor acknowledges the right and responsibility of the Government to issue currency and to receive the profits thereof. He says, "A direct issue by the Government is radically unsound and untrustworthy. I believe that an intermediate agency of some private corporation is the method and the deposit of the National Banks, is the legitimate and proper security to be required of the issuers of notes."

The reasoning of the Professor would seem to infer that principals can grant powers to subordinates which would be wrong or dangerous for them to exercise direct. That the Government can grant powers and "profits" to "private corporations," which would be "unsound and untrustworthy," for the Government to exercise and receive the profits. And he points to the Bank of England as a model so frequently in his lecture, that one would think it a paragon of perfection if he did not know by its history many of its short-comings the past hundred years.

And so plainly are its imperfections shown by its own reports, which if true, and depositors should demand their money, the

bank would have to suspend payments and leave most of its notes unredeemed. This seems the chronic condition of that noted bank, besides this it has frequently suspended specie payments in times past. For the Professor to point to the Bank of England as a worthy example, or to say our National banking system can't be improved, shows he has neither studied the new system of Government banking, or measured the power of the American mind to devise something better than "intermediate agencies," that have cursed the civilized world for ages past with their issues.

If the Professor had said to Fulton while constructing his first steamboat, "Mr. Fulton, wind is the best agency to drive boats through the water, we have proved its power in driving vessels around our island the past thousand years." Or if he had said to Professor Morse, "Professor, it is impossible for you to invent anything that will transmit news equaling fast runners, post chaises, fleet horses, automaton, signs and signals from high hills, etc.," it would have been on a par with his above statement. We think those views expressed by him about the improvement of banking and currency, will have about the same effect upon those minds that have grasped the new idea of Government banking, as those other views would have had upon the faith and actions of Fulton and Morse.

Private corporations for issuing currency as recommended by the Professor is the plan pursued by most civilized nations for ages. Yet all nations that have granted this power to corporations have had their periodical financial flurries, revulsion in business and money panics.

Such are the natural fruits of financial corporate monopoly, and to avoid them in future, some more perfect system of currency should be devised. The bill herein if enacted would be that *more perfect system.* It provides a United States *gold coin standard* which is the highest money standard and the one declared for by the American people at their last Presidential election.

It provides bimetallism without the evils of free coinage of silver, or waiting the permit of other nations. It provides a money owned and loaned by the people, to individuals, corporations, States and the Government, upon the securities the law demands and at a rate of interest not to exceed 3% per annum and many other blessings elsewhere named. We fully realize

the badness of our present currency a large part of it having been paid out by the Government for a consideration long since consumed, it is therefore not a representative of value as all money should be. But it is a representative of a debt which the Government owes the holder. It is also limited in amount, and thereby liable to be hoarded, locked up or monopolized, so that a small part only would be available for business purposes and that at usurious rate of interest. Consequently panics must follow with its continuance as was the case in 1873 and 1893 and other times. The Professor demands the continuance of *private money* only. The new banking system produces *public money* only, which could be used as an auxiliary to private money and prevent all money panics.

CHAPTER XXIII.

USURY OR EXORBITANT INTEREST.

Mr. Editor:—The able letter of Mr. Bristol in your paper upon the evils of usury, and the necessity of usury laws, and the note of Mr. Prosser, in a recent issue, are encouraging signs that men are thinking deeply upon the evils of usury and its remedies.

Enough of the evils of usury has been pointed out by Mr. Bristol, to convince all honest thinkers that something should be done. I write not to point out more evils but to suggest another remedy.

Mr. Bristol urges a usury law by the State and severe penalties for attempted invasion, and 6% the maximum rate of interest. Mr. Prosser suggests 10%. If nothing better could be done an arbitrary law such as proposed by Mr. Bristol is certainly demanded. But as all arbitrary laws are objectionable and if possible secretly evaded, it seems to me a law that would render usury laws useless and usury impossible, would be more desirable than arbitrary laws. The way to accomplish that object is very plain, and Congress, not the States should be the people's agent for accomplishing it. To Congress is confided the duty to "coin money, fix its value," etc. Yet we would not stop usury by an arbitrary national law. But as Congress is the Constitutional fountain from which all money flows, it is its duty to supply all legitimate demands of business with money as well as national bank owners, and at an equitable and uniform rate of interest. To prevent all future usury let Congress enact the foregoing bill, which would distribute money direct to the people, to the States and to the Government, upon their securities, such as bullion, Government and State bonds at 90% of their gold market value, and real estate at not more than one-half of its taxable value. Not for 1% per annum, however, but at an approximate equitable interest of 3%.

Can any reasonable objection be made to so just an act, seeing the Government is already one of the largest money lenders of the world. It now loans the National Bank owners all the currency they want for 1% per annum interest. If it is right for Government to loan currency to bank owners, it must, or should be, right to loan to all classes of citizens.

Could this idea be inforced by the American people, no arbitrary usury law would be necessary thereafter, as money would then be ample and to be had for 3% per annum interest in all parts of our country. Our Government banking department, would stand between the people and the users, the same as the Post Office department now does between the people and the express companies in carrying letters. It in effect, says to the express companies: "you can charge what you please for carrying letters, but I will charge only two cents each."

There would be nothing arbitrary about this; express companies could charge what they pleased, and people could send letters by either channel. But it is not likely the express companies would have a large letter business if they should charge 10, 25 or 50 cents for carrying one letter as they did formerly, and but for the postal department we would yet be compelled to pay much larger postage than we do now.

Even so, would this usury business be stopped, if Government would take the same stand in money matters it has in the postal business.

If the foregoing bill was enacted, the Government would not deny Shylocks exacting a usurious interest, but it would say in effect to the people, "Borrow from whom you please. I will supply every legitimate demand made upon me for money at an interest of 3% per annum."

Can any doubt that such a course would effectually stop all exorbitant interest in these United States without arbitrary usury laws?

Is not 3% an ample tax for the use of money seeing that money invested in the industries in times past yielded less than three per cent. per annum as per Government statistics? Would not money distributed upon this anti-usury, equitable plan, come nearer settling the usury business than arbitrary laws? If Government banks loaned to all classes of citizens for 3%. Shylocks could only obtain a slight advance on that rate.

With our money system thus permanently arranged for equitable distribution, farmers, manufacturers, miners, in fact every citizen, with the required security, could obtain money at the same rate per cent. as business men and bankers of New York. If the money question was thus permanently settled, forty days only would be required to start up business sufficient to supply every idle man with work.

It seems to this writer, should our oppressed industries be thus released from an insufficient supply of money and the curse of usury, a season of prosperity would dawn upon our troubled, suffering land, unparalleled in the history of nations.

If Congress should cease to farm out the distribution of money, and distribute it to the people direct, as well as to create and manufacture it. It would only perform its strict constitutional money duty to the American people.

CHAPTER XXIV.

FREE SILVER COINAGE, ETC.

If the Government should adopt a free and unlimited coinage of silver as a settled policy, then take charge of the coin and issue certificates for it, the care of it must in the course of time become a great burden to the American people, not only from the expense of coining, but also for constructing buildings for storing such vast accumulations, and the storing and guarding of it.

The people cannot and will not use the coin, only a limited amount, the Government cannot use it, is not compensated for its coinage and care, the metal will be as useless to man as it was in its native bed. Yes it is a partial security for the certificate, but if paper money is wanted it could be issued by the Government and secured up to its full face value by mortgage upon real estate, bullion, State or Government bonds, as the National bank notes are now secured without any questionable burden upon the Government, whereas if paper money was properly issued by loaning upon security, the Government would reap a revenue for it, and without risk or burden, as would be the case in coining silver and caring for the coin. If a law should be enacted for free coinage silver bullion may not rise in value as some believe, as with new mines opening and old and new ones producing, who shall say that silver may not become as valueless in America as it was in Jerusalem in the days of Solomon. "And the King made silver to be in Jerusalem as stones * * * it (silver) was nothing accounted of in the days of Solomon." There, silver was so undesirable and abundant Solomon would not have even his drinking vessels made of it.

Silver depreciated in value during the life of the Sherman silver law, notwithstanding fifty-four million dollars was yearly coined under it. The coining and storing of it in vaults may for

a time increase its value, but it must eventually continue its down grade, as the storing of such vast amount as must accumulate under a free and unlimited coinage law in a few decades, must act as a menace to the silver market of the world, as, like the Johnstown reservoir, its contents must continue to increase and the barrier that holds it in place to weaken more and more, and burst it must, sooner or later and precipitate its contents upon the silver market of the world. This being always feared, will act as a wet blanket to any rise in the price of silver.

The throwing upon the market of 25,375 tons of silver bullion by Germany in 1871-2 and other causes at work about that time, knocked the bottom out of the silver market, and it has been on the down grade ever since. Notwithstanding the United States coined $588,000,000 during the time and the world at large very much more.

The 25,375 tons of silver thrown upon the market by Germany, was only a small washout, in comparison to the great flood that will be precipitated on the market upon the bursting of our silver reservoir after a few decades of storing under a free and unlimited Coinage Act in the United States.

A large amount of silver coined and uncoined, is already on hand and in store. There appears to be more silver produced than is wanted for use as money or in the arts at present prices and of the many millions coined, one-fifth or so is only used by the people as money, they preferring Uncle Sam should care for the coin and give them a piece of paper (a certificate) to be used as money in its stead.

One strong reason why no more silver should be coined than is wanted for use as money, is, if the people want paper money instead of silver coin they can be supplied with a better money than silver certificates or any paper money ever yet used by the people of these States, which of course must be made, owned and loaned by the people and administered through their banking department. This would be *public money* secured up to its full face value and requiring no gold redemption, as does the silver certificate, it being *private money* and only partially secured.

The justice of a law may be questioned that requires fifty cents worth of silver bullion coined into a legal tender dollar for private gain, and coined and cared for at public expense, seeing nothing would be produced by it, but *private* money and millionaires.

The bill elsewhere mentioned in these pages if enacted would produce and circulate only *public money*. It will give us bimetallism by coining and circulating all the silver the people want to use as money, but the advantage derived from the fiat of the law making fifty cents worth of silver into a legal tender dollar will belong to all the people, not to bullion owners only as would be the case under free coinage, and under that bill, all advantages arising from the making of paper money to circulate equal with gold money will also belong to all the people, not to National Bank owners as at present.

If it is right for the Government to make every fifty cents worth of silver into a legal tender dollar for private gain, it would be also right for the Government to make every bushel of wheat worth one dollar, although worth only sixty cents now.

It is evident the free coinage of silver, the further issue of greenbacks or National Bank notes or any other addition to *private* money will never settle the money question. The money question never can be settled until private money is supplemented by public money.

The people of these States have been forced to use exclusively private money or none since the first formation of our Government, and in consequence have been cursed with business depressions, money flurries and money panics, on an average of about ten years during that whole period, and the logical conclusion is, if there is no change for the better in our monetary system, there will be no improvement during the next hundred years—a thing much to be regretted, and should not be permitted to continue as it is.

CHAPTER XXV.

MONEY PANICS—THEIR CAUSE AND CURE.

Money panics are so recent, and their evil effects so widespread, that all are more or less acquainted with them. But their *cause* is not well understood; as many good men and able minds honestly differ upon the subject. If it does not become better understood it will be impossible to formulate a medicine for its cure. "Over-trading," "speculation," "stock gambling," "over-production," "high tariff," "low tariff," "tariff agitation," etc., are some of the causes attributed to produce money panics.

I fail to see how it is possible for a lively merchant or speculator to make money scarce, as it is not the nature of either to hoard and keep money from circulating. But, to the contrary, they are the wide-awake men, who circulate all their own money and the money of others if they can get it. They are, they who make the "nimble six-pence do as much as the slow shilling." The man who keeps his money "laid up in a napkin," too cautious to use it himself or lend it for others to use, may make money scarce; but the trader and speculator never; and even the stock gambler keeps his money stirring, although he buys and sells much, yet a small sum of money suffices to make a perfect bedlam of certain streets in our large cities, and what money is used is kept in lively circulation. Over-production of farm and factory may make money in demand and scarce among producers, but *they hoard no money*. The question is, in panic times, where is the money? Neither the traders, speculators, stock gamblers, nor producers have got it. They have articles of merchandise, stocks, debts, articles of productive industry, but no money. Why then impute the sin to them of making money scarce?

The unwelcome truth is, all money is private property, and when the products of the country are greatly multiplied a lively demand is made for money to exchange them; and currency

being limited in amount and all in private hands, causes what is termed a tightness in the money market and the holders of money begins to think money is everything, and they had better hold on to it; and they gather their money from their creditors and their deposits from the banks. The banks having loaned their own money and most of their depositors and being called upon for an unusual amount of deposits become alarmed, and not only stop their discounts, but call in their loans where possible; and thus general distrust spreads until the money is all locked up or withdrawn from circulation. The most of the banks are powerless—the Government is powerless—friendship and old acquaintance in many cases is laid aside—all is distrust and confusion—business is prostrate and suffering and misery abounds; and all this when the country is literally overflowing with abundance and all for the want of a medium of exchange to keep business alive.

An insufficient supply and imperfect distribution of money—a monopolizing, hoarding and hiding away of the money is the true cause of money panics.

The cure and prevention of all money panics in the United States would be the establishment of a Government banking department upon the principles advocated in these pages. Then we would have *public money* as well as private—a money that did not all belong to private parties. A money always available for business purposes and always to be obtained by all who produced the required security. It may be seen that money panics dries up all the well springs of currency, no money can be drawn from them to transact business or exchange the values of the country.

What is wanted is a well spring of currency that cannot be exhausted, hoarded nor hid and always open for business, such would be the banking department above referred to. Its currency would be a true representative of value, owned and loaned by the people, to the Government, to the States and individuals, upon Government and State bonds, bullion and real estate at a rate of interest not to exceed 3% per annum.

No panic could possibly arise in these United States if this department was in operation. Currency issued upon a gold base or gold redemption as heretofore, that is five dollars in currency to one of gold is unsound in principle and unsafe in practice. Mechanically speaking, it is a weak unsightly structure, an in-

verted pyramid whose apex is many times larger than its base. It never has, nor never can weather a financial gale.

But a currency based upon Government and State bond and bullion at 90% of their gold market value, and upon real estate at not more than one-half of its taxable value, would be a solid symmetrical financial structure whose top is many times less than its base, and never can be shaken by financial gales or destroyed by financial earthquakes. Land as a base for currency issue would be superior to gold in the following particulars:

1. There would always be sufficient lands in all parts of the country to form a safe basis for all the money necessary in those parts. With gold it is not so, it is too limited for a basis even in the central marts where it accumulates and in the less favored parts there is none.

2. Land cannot be stolen or lost, gold may suffer from both causes.

3. Land, although used as a basis its usefulness is not destroyed, but may still produce an income. But gold when used for a basis is useless for all other purposes, as unproductive in bank vaults as it was in its native bed.

Some profess to believe that money panics are caused by a natural law, the same as day and night are caused by a natural law, should this be so, it would be useless for man to attempt a cure, but such is not the case. Money panics are financial paralysis that man brings upon himself as man is the author of money supply and money deficiency, so is he the author of money panics by his unwise currency laws; man can prevent them as soon as he knows how. To point the way is the aim of these pages. We are fully convinced this is not a tariff panic, nor a silver panic, nor an over production panic, but a *money* panic that causes both business and people to starve and suffer for want of money to produce and exchange the necessaries and comforts of life. So it must be the short supply of or its deficient distribution, or both, that causes money panics in civilized countries, for the reason. *No money panic ever occurred when money was ample and in lively circulation.*

Now reader, would a money panic be possible if the foregoing bill was enacted and the banking department provided for therein organized and put in motion? As then there could be no money deficiency in business channels for every citizen with the re-

quired security could get money from this department, even should all private money owners refuse loans.

If we should ask why so many solvent banks fail? The answer would be, "There was no money whereby we could make our assets available." Question manufacturers why they shut down, they answer, "There is no money among the people to buy our products, neither is money available to pay our help; could we have sold our output we should have continued running notwithstanding tariff reform agitation." Question farmers why they let their mortgages be foreclosed, they will answer: "Money is so scarce our property in consequence has so depreciated in value we could not realize enough from it to pay interest, so our homes had to go." Thus the cry is for *money, money, money.* Not tariff, not the repeal of the Sherman silver law, but *money.* How unnatural that over "production should cause starvation, nakedness and misery. The idea alone is sufficient to defeat the claim. The imperfect laws of man endeavoring to supply the medium for the distribution of life's necessities is the cause of our present suffering, not the bounties of providence. Our medium of distribution is money, if that is not obtainable distribution and production are both checked and the people suffer. The above facts should settle the question, what causes money panics? I repeat a short supply of money and its imperfect distribution is the true cause.

If a few hundred million of *new money* had been loaned by the Government to the people in 1889 and after, our present panic and consequent suffering would have been entirely avoided and the great loss by depreciation of property, idle labor, idle capital—railroads, factories, money, etc.—would have been saved and most business failures and foreclosures would have been prevented, and the Government instead of borrowing millions as it has done, would have had several hundred millions loaned out drawing interest, thus changing from a large reluctant borrower, to one of the largest money lenders of the world.

Hunger and nakedness is not caused by over-production of farm and factory, nor money panics, by tariff manipulation, as the imports upon which tariffs are levied are too few in comparison to the immense productions of the United States, to cause a money panic, or even a business depression. The fact is, if all foreign imports were excluded, peace and plenty would still be the inheritance of our people to enjoy, provided, an

ample supply of money in circulation could be furnished them for home exchange.

As long as people have money to buy the necessaries, comforts and luxuries of life they will buy, let the price be high or low, tariff or no tariff.

The people's necessities are as great now as at any former period, yet millions cannot buy because money does not circulate among them, and labor, that produces all wealth cannot be sold for money only to a limited extent.

If the people had continued to buy, the factories would continue to run. What is required to restore confidence, prosperity and plenty, is a full supply of *public money,* not loaned to the banks only, but to the Government, to the States and to all the people who can furnish the required security. Not loaning for 30, 60, 90 days or 6 months to be promptly returned, as the private banks now loan, but loaned to run as long as the borrower promptly pays the interest, which would enable the borrower to arrange his business before returning the money.

The loaning, the security to be given, the redeeming, the savings, deposits and the interest demanded should all be done approximately in conformity with the foregoing bill, administered as there proposed by a Government banking department as in the bill provided.

Everybody, east, west, north and south demands "a stable currency, made of gold, silver and paper, and all maintained at par, and no more money panics." Under the bill above referred to, all may enjoy the currency demanded and escape all panics.

The above way of stopping a panic by circulating new money is not without precedent. A case in point: Lord John Russel, it is said, stopped what promised to be a cruel panic in 1797 by directing the Bank of England to resume its discounts which it did, and by so doing made money plentiful and cheap in all England. The notes so issued were made a legal tender, a money without metallic base.

Another case, in 1861 and 1862 the United States was confronted by an empty treasury, with but little credit, and what proved a gigantic civil war. Nearly all the banks had suspended specie payments, gold and silver coin left the channels of trade, save on the Pacific Coast, a money famine was beginning to be seriously felt, the Government's as well as the people's necessities for money were great and urgent, no money was available. So

Congress wisely concluded to avail itself of its constitutional right and make its own money, which it did by issuing the greenback and other treasury notes, and as by magic the spindle and loom, the forge and farm echoed again the music of industry.

Over-production, tariff, tariff agitation or silver laws did not cause the threatened panic nor prevent it, it was caused by an insufficient money in circulation, and prevented by a liberal use of *new money*.

The above shows the true cause of money panic and conspicuous cases where panics were prevented by the issue of new money and how all money panics may in future be prevented. Let law-makers heed the lesson.

It is alleged that a money deficiency is not the cause of our present trouble, as most other civilized nations are similarly affected.

The truth is, all civilized nations use approximately the same system of *private* money, and we may liken them to a row of ten pins. The first one hit falls against its fellow and its fall knocks the next and so on until all are effected.

By the passage of the bill above referred to the United States treasury could be readily relieved, and it would set the machinery of industry in motion, transforming two million of unemployed tc thrifty workers and producers, thus electrifying into healthy life all trades, all productions, all business and restore the country to its normal prosperous condition and the people to peace and plenty.

This system being constitutional *should be tried*, as no other money system has ever performed what this promises. All others bring business depression and money panic upon the country every few years, with all the loss and bitter fruits which panic yields.

CHAPTER XXVI.

EX-SECRETARY WINDOM'S GREAT SPEECH.

Secretary Windom in his speech just before he was stricken down by death delivered the following truthful words, viz: "The ideal financial system would be one that should furnish just enough absolutely sound currency to meet the legitimate wants of trade, and have enough elasticity of volume to adjust itself to the varying necessities of the people. Could such a medium be secured, the grave commercial disaster which threaten our future might be averted. These disasters always come when unusual activity in business causes an abnormal demand for money, as in the autumn for the movement of our immense crops. There will always be great danger at those times under any cast iron system of currency such as we now have."

It is believed that anyone who has looked into our present American money system must agree with the Secretary that it is "a cast iron currency system" well qualified to produce trouble.

The Secretary's forebodings of future evils if the money system outlined by him was not secured, has been upon us now nearly eight years, because it was not secured, and the affliction has been "grave commercial disasters" indeed.

It must be observed that although the Secretary so clearly foresaw the then future financial evils—which are now upon us—he proposed no sure plan or system by which the affliction could be averted. The banking system herein presented would have supplied a currency having all the qualities named by the Secretary and averted the evils he predicted. It would not be a "cast iron money system such as we now have," but it would be a fountain of currency that never could be dried and from which all could draw who presented the required security. This system would "furnish just enough absolutely *sound currency* to meet the legitimate wants of trade," neither too much or too little. No one who has honestly digested this system will dispute this point. As in this country there is Government and

State bonds as durable and of as good credit as the Governments that issues them, and bullion and real estate as lasting as the solid earth, and if a currency were loaned upon such durable property at less than its gold coin value, it would be an "absolutely sound currency."

The Secretary wants an "elastic" currency as well as an "adequate" and "sound" one. That is, he wants a system of currency that will supply to the American industries every autumn when their immense crops are being harvested, removed, measured and exchanged, one billion or so of money, more than is required for business purposes during spring and summer months, and which must have elasticity sufficient to withdraw this money when no longer required in trade circles, without rendering its withdrawal a disturbing element. The system here referred to provides amply for every requirement of the Secretary for an honest, ample and sound currency.

The Secretary's opportunities for acquiring financial information have been many and powerful enough to convince him that America requires a different money system from the "cast iron system it now has."

His ideas seem clear as to what kind of a currency is required to steer clear of commercial disasters, but his ideas were not so clear as to a money system that would produce that kind of a currency or no doubt he would have given it to the world when he made his last speech.

However, he has left an idea, viz: That the "bonded debt of the Government should be in part exchanged for an inter-convertable bond bearing a low rate of interest, and always inter-changeable at the will of the people."

The "inter-changeable bond" we favor more if possible than the Secretary for effectually supplying a people with just enough money and we have doubly provided for it in the above bill. It has been incorporated in our money system since 1874.

But instead of *part* of the debt being made inter-changeable as suggested by the Secretary, the above bill makes *all* of the bonded debt of the Government inter-changeable at the Government's banks for money, the same as that part of the bonded debt held by National Bank owners are now inter-changeable at the Treasury for money. Again, under the bill referred to every citizen wishing to deposit money in the Government savings banks can do so and receive a certificate of deposit, the money

returnable to the depositor on demand with interest, which makes all the people's deposits inter-changeable at the Government's banks as well as all the Government bonded debt, and no fear of these banks failing.

If the bonds and certificates referred to above were good to use inter-changeable for money at the banks to prevent "grave commercial disaster" in America, they would be good for the industrial development of all civilized nations to keep business alive and prevent money panics.

That such would be the effects of using inter-changeable securities and certificates of deposits upon the money supply of all countries that adopt this system no one will deny after mentally digesting the method of their operation, as either could be changed into money at the Government banks upon application, so a full supply of money being always available, no money panic would be possible.

There is but slight difference in the principle between the inter-changeable bond recommended by the Secretary and the one provided for in the above bill, but there is a wide difference between the limit suggested by the Secretary and the limit fixed in the bill. Also there is a difference between the way suggested by the Secretary for getting up the inter-changeable bond, and the way the bill provides for it.

The Secretary's limit is, a "*part* of the Government bonded debt" only should be used for the inter-convertable bond. The bill, as may be observed, makes *all* the bonded debt of the Government, and all the bonded debts of the States, all bullion and all real estate, whether in the cities or in the country, inter-changeable at the Government banks for money, upon demand of the holder of anyone of the above named securities.

Getting Up the Bond.

The Secretary commences his task by changing a part of the Government bonded debt into inter-changeable bonds bearing a "low rate of interest." The Government would undoubtedly have to perform the labor and bear the expense of the change, as a bondholder would not readily consent to change his bond bearing a high rate of interest for one drawing a low rate without compensation.

Making a part of the public debt inter-changeable as proposed

would be only temporary unless Congress should declare this part of the debt a perpetual one, which would probably be unconstitutional.

The above bill if enacted would mete out financial equality to all holders of Government bonds, which is not the case now. Now National Bank owners are the only beneficiaries that can use the Government bond inter-changeably at the Treasury for money.

The enactment of the bill would empower *all owners* of Government bonds to interchange them at the Government banks for money, if they so desired, which would be right, as justice and common honesty demands equal financial favor be accorded every citizen, not bankers only.

One of the advantages of making real estate inter-changeable at the banks for money would be, Government could pay all its debts and still leave enough of the most durable property known to man, to secure all the money that may be required. With bonds alone made inter-changeable this could not be done.

Another advantage in making bullion, State bonds and real estate, inter-changeable at the banks for money, would be, the Government would realize 3% per annum for all money kept in circulation without having to pay interest on the security as in the case of the Government bond, which would go a long way towards paying its debts and making internal improvements.

One important feature of the money question which seems to have been overlooked by authors of other money systems, is the redemption of their currencies when no longer wanted in production and trade circles. It is apparent that under all money systems, if there is enough money distributed to supply every demand during the most busy part of the year. There will be too much at other times and where no provision is made for its redemption on demand the currency may depreciate and become the battledore and skuttlecock in the hands of brokers and bank syndicates, such as combined against the greenback and caused its early depreciation. No doubt the same kind of combination would have ample power to depreciate any over issue of money, not made redeemable upon demand of the holder.

The foregoing bill renders depreciation *impossible,* as all holders of the banks' money can carry it back to the bank and get a certificate of deposit (an inter-changeable bond) for it at its face value and payable on demand in legal tender public money

with an interest. Under the authority of the bill, the banks of the department will redeem all the money they loan whether it be gold coin, silver coin or legal tender paper.

The inter-changeable securities and the certificates of deposit above mentioned will give the currency all the elasticity that production and trade could possibly require. As if they don't have enough money, they can take their bonds, bullion and real estate to the Government's banks and get more, (as these banks cannot refuse loans when legitimate demand is made upon them for money, as private banks frequently do) or change their certificates into money.

No objection can be honestly urged against the quality of this public money, as not one dollar—whether it be gold, silver or paper—could get into circulation only by being secured by the most durable kind of property to insure its final redemption.

This money could no more be depreciated, than could a private note that was secured by mortgage upon durable property worth in gold coin, more than the face value of the note. Thus it may be seen, this bill provides amply for the kind of currency demanded by Ex-Secretary Windom. That is, it is "sound in quality, adequate in quantity and elastic of volume." This money system fills every demand.

What shall I say more? The world demands a *gold standard* of value. This system is arranged to a United States gold coin standard, and every transaction under it is regulated to that standard, every dollar of its money measures of value authorized to be issued or coined under this bill, every certificate of deposit, every mortgage and bond given to secure this money, is rated, measured and valued by this gold standard.

There are three fundamental, live and tried principles, contained in the above bill; first, the making enough money for domestic use out of gold, silver and paper; second, distributing it; third, redeeming it when no longer wanted in the channels of trade. The making, distributing and redeeming to be done in pursuance of the enacted bill by a Government banking department. This right not to be longer delegated to corporate monopoly, or by proxy to individuals. The above three named principles have always done their duty singly when called upon, but being limited by statutes and only used singly under special laws, that so limit and control their usefulness, they fail to bless man-

kind as they would do if they were allowed to work in continuous combination and for general good, as this bill provides, and the natural law, "demand for use," being the only limit of currency volume.

As money is the life-blood of business the moving force under our civilization of all labor, all enterprise, all productive industry and to make business healthy and material progress certain, it behoves all Governments whose business is to "coin money regulate value thereof" to provide and circulate it abundantly, to fill every legitimate demand, as money is wanted for schools and churches, for purchasing food, clothing and habitations, etc., in fact, all things can be done with money, without it but little. "Money answereth all things." Money is the tool in the hands of labor that produces all wealth, all life's necessities and luxuries. It is *money, money, money,* the law compels all to pay and all to receive.

What I have written in support of the above bill being true, how important it is that the supreme authority of our country should make and distribute money sufficient for all business; to enable its people to produce values, and to measure and exchange the values they produce; neither can be done without money under our customs and laws.

If the people have the right through their Government to delegate this constitutional power to individuals or corporations to make and distribute currency, they certainly hold the right to perform this duty for themselves, and this bill provides the way. Moreover, how much safer would be the whole people to issue and circulate money, and receive money at their banks on deposit, than a few individuals of that people, as all money would be then promptly redeemed, and all deposits paid on demand, *no broken banks.*

This is one of the improvements aimed at in this bill, viz: Taking from all corporations and individuals the delegated power of issuing currency and restore it to the people to whom it belongs. The making and distributing money is one of the most important duties confided to Congress by the Constitution, great suffering—physical, mental and material—are endured by the people at all times if their Government fails in its duty of both coining and distributing sufficient money for its people's use. Creating the money is not sufficient, it must be distributed

before it becomes useful to man. The bill so often mentioned above provides amply and clearly for the distribution of *public money* and thus keep business healthy even should all private banks and other lenders of private money refuse loans, which all must admit, would be a great improvement over all our former money systems.

Shall we not improve our currency? Must everything else be improved except the coining and circulating of our currency that we are depending upon to energize labor, for material development, individual happiness and national prosperity? Not improve the currencies that have cursed mankind for ages with their imperfect issues, depreciations and resumption, when the happiness of the civilized world are depending upon it?

Man has enlarged his dominion over matter by various discoveries and improvement, in the present century, yet, strange to say, no improvement has been made in the issue and distribution of currency, for ages. Without the mutilated greenback of America, or its illegal tender, National Bank bills could be called an improvement, which may be doubted as they are only private money.

Improvement and progress means life, stagnation, death. Shall we consent to remain in this stagnant pool of financial corruption that has remained unmoved for ages and cursed the world with its miasmatic effluvia of "money panics," business depression, suffering and misery beyond computing? Verily no, as "money panic" and all evils arising from money panic would be effectually prevented in all countries by the passage of this bill into a law. This cannot be refuted, nor will it be disputed, by anyone acquainted with the merits of this bill.

Nations are said to flourish when agriculture, manufacture, mining and commerce flourish, when city improvements and railroad construction flourish, when willing laborers are abundant and work for all to do, when trade is lively and profitable and general prosperity is enjoyed by all its people; then a nation flourishes and rapidly increases its wealth and its people enjoy the comforts of life. When there is remunerative employment for all willing workers there will be bread, clothing, earthly comforts and an increase of national and individual wealth. It is a great blessing to be able at all times to buy the comforts of life by respectable employment. Employment feeds,

clothes and instructs. Ample and remunerative employment produces, in all countries, prosperity, content and cheerfulness.

It appears, from the above facts, that labor intelligently applied produces all of the necessities and luxuries of life. Let me ask then, why cannot all industrious and enterprising people enjoy the comforts of life, flourish and be content, cheerful and happy? I answer, under our civilization, the foundation of all prosperity, the life-blood of business and production is money. Money is first, and labor that produces all wealth is second. It is money, money, money, the law and custom compels all to pay and all to receive, and if any nation have a full supply it is not properly distributed; (Can this be disputed?) consequently struggle and suffering for a mere subsistence everywhere abound.

No nation can be said to be fully supplied with money, when money invested in the industries, agriculture, manufacture, mining, etc., yields less than 3 per cent. per annum including money, while money alone at interest yields over 7 per cent. When such a state of things exist the industries are not fully supplied with money, are hampered and working to a disadvantage, it checks business and production. No prudent man will borrow money to invest in a business that yields him less than one-half of what he promises to pay for its use. The above percentages were taken from American statistics of some years ago.

I see, by the late census, that the industries of Iowa pay from 1 per cent. to 20 per cent. per annum for the use of money, and Alabama from 1 per cent. to 40 per cent. What an outrage, and what an unsatisfactory state of things that must be where a man in easy circumstances can get money for 1 per cent., and a man "hard up"—though a producer—has to pay 20 per cent. Loaners of money are not to blame, as they have as much right to get a big price for their money as I have for my sugar. The fault is with the Governments for permitting its people to suffer such exactions, when the exercise of its constitutional duties would relieve them. We presume that America is not the only country that is crippled in its business by a short supply of money or an imperfect distribution of it, which renders them only comparatively prosperous, when they are said to be flourishing.

All civilized countries demand both by law and custom that

all debts, tariffs and taxes be paid in money; money is required for all enterprises and all labor; no agriculture, no manufacturing, no flourishing trade, no employment, no civilizing influence, schools, churches, railroads, telegraphs, etc., can be enjoyed without money.

This shows how important is money, and how unwise and unjust it is to leave the distribution of money altogether in private hands, seeing the evil that arises from it; and the making of the money is a supreme Government duty. Why should not the Government distribute it upon security on demand as well as to make it? By her not doing so, financial earthquakes periodically shake the foundation of business and production throughout the civilized world, causing loss and suffering beyond computing.

This ought not to be, and such a thing could not exist if the Government banking bill here advocated was in working order there.

So, notwithstanding the bright looking picture of national and individual prosperity and the apparent ease by which it can be attained by enterprise and labor, none of it can be accomplished or enjoyed without money.

So money should be one of the first things to be supplied by a Government to its people if it expects them to produce wealth by their labor and to measure and exchange that wealth after it is produced; or, if internal development is desired, money is the first requisite and the most efficient tool.

Yet under our civilized, inefficient, tyrannical, Shylock, private, iron-clad money system, individuals—not the Government— are expected to supply the money, the tool to enable the people to create wealth and national prosperity, and if they don't supply it nothing will be done. Nothing can be done without money, and it is said everything can be done with it except to make an honest man. Give the people a currency sound in quality, with enough elasticity of volume to adjust itself to the varying necessities of the people, and at a rate of interest approximating the net income of the industries. Then every industry will be quickened, and all the people will feel the impulse, a new awakening to a permanent prosperity never before enjoyed by any people, as no people ever enjoyed such a currency.

Yet the above bill would produce just that kind of a currency for the people, and would apply with great force to large nations. It would prevent every evil arising from the present cast-iron money systems of the world.

CHAPTER XXVII.

TRADITION AGAINST PROGRESS.

What is money? Every inch of the way in real progress for the human race in wealth, civilization, Government and religion has been fought with this giant monster, tradition.

There is but little more truth in our traditional ideas as to what is money, than there was in the traditional idea that the earth was flat in the days of Columbus.

It is hard to root out of men's minds the tradition that good National money cannot exist without intrinsic value. "That coined gold and silver only are money." "Nothing but gold and silver can be made into money." "To be good money every dollar must contain 100 cents worth of metal."

The above are some of our traditional ideas in which there is no truth. The material of money may have intrinsic value, and it may be made without and yet be just as good money. Legal value is the only value money requires. If it is used or valued on account of its actual value it is bullion not money.

Gold, silver and paper that bears about the sovereign stamp is not money. They are only the material, the instrument or agent of the sovereign to represent its power upon convenient material for measuring values.

So we must see that *sovereign power is money,* not gold or silver, neither will they pass as money without the sovereign stamp.

The sovereign power of a country only can make money. It can stamp its authority upon any convenient material and it will satisfy debts, and measure values. *Our revenue and postage stamps are worth their face value in U. S. gold coin, yet intrinsically they are worthless.* SOVEREIGN POWER ALONE GIVES THEM VALUE.

The Hon. A. M. Comstock thus discourses upon "What is money?" Not what does Webster or Worcester define it to be,

but what is money by its constitution and character? Definitions become important to a full understanding of this subject. We will therefore exhibit the character and constitution of money and show what it is not, and leave the reader to say what it is.

"First, it is not gold metal, nor its value, for 258 grains of gold, Troy weight, 9-10 fine, are gold metal and are of the value of an eagle, $10; yet they are not money, and you will not receive them in payment for $10 due, because they are not money. I have them coined into an eagle; again I tender them in payment, and you MUST cancel your debt, for money speaks in the language of sovereignty, and there is no appeal.

"They are money now, so-called; therefore, money acts with sovereign power. The metal and its value were there before, but now there is power. Therefore, money is sovereign power. The grains of gold and their value are identical as before; the power alone has become added.

"You tell me the words and figures on the eagle give it the character of money. Not so. Examine them. On one side we find an eagle with a scroll over its head bearing the words "In God we Trust." That refers to a sovereign God. Around the margin we find the words "United States of America," the name of another sovereign. On the opposite side we find the head of the Goddess of Liberty, the name of "Liberty" across her brow —not a god, but a goddess. And the eagle is the king of birds—another sovereign. All are emblems of sovereign power raised in the gold itself; nothing more. Underneath the eagle is "Ten D"—$10—the measure of the power which acts through that instrument. No more gold and no more value has been added, yet it now possesses money power, which is seen to be sovereign power; therefore, money is not matter nor value, but power—sovereign power. Again, the new and perfect eagle is taken to England or any foreign country. It is all there—the gold, value and emblems, but the money has stopped in the United States. It is no longer money; it ceased to be money when it crossed the boundary line between the countries. Why? Because the sovereignty of the United States is bounded by that line; money, being a part of that sovereignty, stopped there also. Therefore, money is power—sovereign power; not matter, of silver, gold or paper. It is also National, not International, or logic has lost its reason."

CHAPTER XXVIII.

CHEAP MONEY.

We have observed that most writers on currency use the above appellation when they wish to slur and disparage all kinds of currency not made of gold metal, or when any other method of distribution of currency is proposed than agencies like the National Banks, that is, currency circulation only by private parties.

For the Government to distribute currency direct to those wishing to use it, is, in their estimation an outrageous proposition, a thing not to be thought of for a moment, and they seize upon any historical fact, where trouble has originated in attempts to improve the currency in quantity, or the methods of its distribution.

The trouble arising from the blunders of law-makers and dishonest or incapable agents are all charged against cheap money systems and they endeavor to show their failure with an apparent relish.

A writer in the Century magazine for April, 1891, (striking at Senator Stanford's land loan scheme) has carried his zeal so far as to show up the failure of an attempt to start a private corporate "Land Bank" in England in 1696. And he seems to infer that if a private land bank failed to incorporate for want of means 200 years ago, Stanford's Government land loan scheme, must also fail. If that is not the logic of the gentleman's reasoning we fail to see his point. How the fact that a private land bank failed to incorporate for *want* of *means* in 1696, can hold as an argument against a Government land bank with *ample means* in 1891, he fails to inform his readers, or how such a failure can hold as an argument against an attempt to start a land bank any more than it would against the attempt to start a gold bank, or a silver bank and failing, many such attempts have failed, and hundreds of so-called gold banks have failed after they did

start and brought distress upon thousands, so if this argument is good against private land banks, it should be good against all private banks for the same reasons.

What this writer means by "cheap money" we take to be any money whose actual value, is less than its face value. The American gold dollar is five cents too cheap, its silver dollar 44 cents too cheap, and the greenback dollar one hundred cents too cheap according to this magazine writer's logic, and as there is no money in America excepting the three kinds named above, all of America's money is "cheap money" in his estimation.

Notwithstanding his argument the fact remains that the cheapest money—the greenback—is the most valuable for business. President Grant said the "greenback is the best money ever devised."

The bulky nature of all coins is so objectionable they are being deposited with the Government and packed away by it, and a paper certificate taken to use as money in their stead.

The greenback is never so deposited, hence it is more acceptable as a business tool than the coins—the cheap money preferred to the dear. This same writer in the same magazine for May of the same year, cites Rhode Island's failure as an argument against all attempts to make a cheap money profitable bottomed upon land values. He says, "At the close of the revolutionary war, the people found themselves in extreme poverty, and in their distress the people turned to paper money for relief and the general assembly in May, 1778, passed a law establishing a paper money bank of one hundred thousand dollars, the money was to be loaned to the people upon the pledge of real estate for double the amount desired and must be paid into the Treasury at the end of 14 years. Many made haste to avail themselves of their good fortune, and mortgaged fields strewn thick with stones and covered with cedars and stunted pines for sums such as could not have been obtained for the richest pastures. The depreciation of the new money began literally with its issue."

The Act which effected its repeal fixed the value of the paper bills at fifteen to one, this was the end. The same writer continues, "Every cheap money experiment that has ever been made has resulted in precisely the same demonstration, and the same fate awaits all those of the future." This last sentence seems rather too prophetic for one to utter not properly endowed.

One would think that a mere reference to our greenback would

be sufficient proof to show that the writer referred to had not fully digested his emphatic declaration that "every cheap money experiment that had ever been made has resulted in precisely the same demonstration" as the Rhode Island experiment.

The greenback surely is not such a failure and its present standing indicates anything but failure. By means of the greenback our civil war was fought to a finish, and for 17 years it constituted our only measure of value and our only money tool, save on the Pacific Coast, and the country flourished under this "cheap money" measure as never before.

There are several other cases on record of cheap money issues which were not failures. We may refer to them further along.

The Rhode Island "cheap money" scheme failed first because the State as well as its people were poor and bankrupt, which rendered its credit too shaky to have its notes accepted in the community as money. The same effect would follow any bankrupt. Second—The act required that double the amount of property should be given as security for the sum loaned, but by fraud, the amount loaned was more than the value of the security. Third—Its Supreme Court had unanimously declared the issue unconstitutional.

What other result than depreciation and failure should have been expected for a currency issued as the "cheap money" of Rhode Island was.

The people were few in extreme poverty. It was not a responsible nation, only a small part of a nation. It had no right to make money of either metal or paper. Its court had declared the Bank Act unconstitutional. So looking at it from any standpoint, what happened to the Rhode Island currency was just what should have been expected to happen.

So the magazine writer's application, does not prove that improved real estate at one-half of its taxable value is not good security for money either from a Government or private bank, whether the money secured be gold or greenbacks, dear money or cheap.

If any further proof is wanted that Congress has created and can create value by law and make money out of other material than gold and silver, and make it just as good for measuring values as gold coin, I will refer the reader to the first $60,000,000 of greenbacks issued after the commencement of the rebellion and made "receivable in payment of duties on imports, a lawful

money, and a legal tender." This $60,000,000 was received at the United States Treasury on a par with gold, when gold was selling at $2.85 in the depreciated greenback.

Congress made this $60,000,000 of "cheap money" as good as gold for all domestic money purposes both for the Government and the people's use, and that fact caused the bank associations of Boston, New York and Philadelphia, to send a committee to beseige Congress and the Government and by arguments and threats intimidate Congress from making any more such good money out of such cheap material, if it did, they would "pack up their gold and leave the country." History informs us that Congress complied with their demands by making the after issue of greenbacks only a partial legal tender. That is, they demanded that the "interest on the public debt" and "duties on imports be made payable in gold coin" and they were so made, which opened a market for their gold which nothing else was allowed to fill, and it compelled the Government to shin through Wall street and among the associated banks to obtain the gold for its interest payments, and forced every importer to do the same thing to secure the gold for their import payments.

Congress having made gold a special favorite and compelled the Government to repudiate its own notes, caused the greenback to depreciate or more truly caused gold to advance in price, by making a demand for it that nothing else would fill.

Gold alone advanced, as the products of the farm and factory did not advance in price measured by greenbacks more than should be expected in war times. Gold alone advanced, being cornered and manipulated by the gold bugs and bank associations.

No gold being circulated save for the two purposes above named the greenback became the standard of value in all trade and productive business.

Jefferson tells us the Colony of Virginia issued a paper currency not redeemable in coin "that never depreciated a farthing" during its existence. Dr. Franklin makes a similar statement respecting an issue of a paper currency by the Colony of Pennsylvania.

When the Act of Congress of October 12, 1837, authorizing an issue of treasury notes was pending Mr. Calhoun advocated the measure in strong terms. The following is an extract from a speech delivered by him, September 19th, prior to the passage

of the bill. He said: "It may throw some light on this subject to state that North Carolina, just after the revolution, issued a large amount of paper, which was made receivable in dues to her. It was also made a legal tender, but which, of course, was not obligatory after the adoption of the Federal Constitution. A large amount, say between four and five hundred thousand dollars, remained in circulation after that period, and continued to circulate, for more than twenty years, at par with gold and silver during the whole time, with no other advantage than being received in the revenues of the State, which was much less than one hundred thousand dollars per annum."

It is evident the magazine writer referred to above has taken a superficial view of the cheap money question and only a one-sided view at that, or he would not so strenuously insist that all issues of paper money must have a coin redemption to prevent depreciation.

He should have discovered that money has had, and may have acceptable redemption in other values than coin. The Pennsylvania, Virginia, and North Carolina issues above referred to, were redeemed by being received as taxes in the revenues of the Colonists. The $60,000,000 greenbacks above referred to was redeemed by being received into the Treasury of the Government for duties on imports and for other dues the same as gold and silver coin was received. Neither had gold or silver behind them; neither required a coin redemption. Neither depreciated a farthing. One billion or so of American greenbacks and other treasury notes were acceptably redeemed by Government bonds. The National Bank note is redeemable in Government bonds, greenbacks or coin, our post office stamps, that are of such great value to the American people, are paper obligations of the Government, worth their face value in gold coin, and are redeemable by Government service.

There are scores of millions of gold now in the hands of the people, whose owners would think themselves fortunate, if they could have it redeemed by American Government bonds, although the bonds are only paper and value is given to them by law, yet the owners of gold prefer the bond as being more valuable to them than their gold.

The reader may see from the above citations that both cheap money and dear have been and now are acceptably redeemed in other values than gold coin.

How will the Century writer, and others of like faith, reconcile these facts to his emphatic declaration that "all issues of cheap money must depreciate if not redeemable on demand in coin."

The greenback is a Government paper money, as valuable as gold coin for all domestic money purposes, and was redeemed by a Government bond—another paper obligation more valuable than coin. Both greenbacks and bonds were made valuable by the power of civilized law. Yet some tell us, there are no values created by law.

There is one phase of the cheap money question which never seems to have been noticed by its enemies, viz: The positive necessity at times of nations having some money, and cheap material was the only material available to make it of. By barter alone could exchanges be made, and that was cumbersome and time-wasting.

In these days when the fiat of money can be stamped upon any acceptable and convenient material by authority of sovereign law, neither individuals nor nations, are willing to submit to the extra labor barter requires in the absences of money. A pertinent question seems to be. What should a nation do, when it has no money nor bullion to make it of, neither can it borrow, and its money wants are large and urgent? The answer is coin its credit and available wealth into money, that was practical and reasonable, and that was done by intelligent, practical, live men generations ago. The Colony of Massachusetts in 1695 and 1745, having neither money nor bullion, coined its credit into money, and that paper money constituted its measures of value for scores of years. Pennsylvania, Virginia and North Carolina above referred to coined their credit into money and it fully filled the expectation of its friends. The continental currency was issued for the same reason, the money wants of the Colonies were urgent, they had neither money nor bullion, so they coined their credit into money. It was Hobson's choice, "That or nothing." Poor as it was, it assisted the Colonies to independence, the object sought.

In 1797, the Bank of England closed its doors against its note holders, it could not redeem its notes in gold as the law required, but the Government permitted the bank to issue irredeemable cheap money for 23 years. The Government made these notes legal tender, the Government as well as the bank directors knew, it was paper money or no money at all, as those times were con-

sidered too dangerous for gold and silver to uncover themselves. The issue of that cheap money proved a wise and profitable policy for the English people, as the nation was said to have flourished as never before during those years of cheap money notwithstanding its exhaustive wars with the French at the time. In America during the rebellion all gold redemption banks failed, the system of specie payments utterly collapsed, all coin left the channels of trade. The Government borrowed at home and abroad at great sacrifice as long as its credit was accepted. The money requirement of the Government was large and urgent, it had tried every plan known to statesmen to borrow and thus supply itself with money and failing, there was nothing it could do but coin its own credit into money, which was done. Thus the greenback was born, a child of necessity, and the Government fought the war to a finish by the assistance of this irredeemable cheap money. It was that or nothing and time has shown its value. It now fills the place of so much gold coin, dollar for dollar, for all domestic money purposes, even to being an acceptable redeemer for the National Bank note.

What would the Century writer and others of his faith have done in such money crisis as those referred to above? Would they recommend issuing a paper currency, which brought prosperity to the troubled land as did the wise men of those times, or shut their eyes, remain inactive and let financial ruin, poverty and despair overwhelm the country and its people, as our Congress and Government have done the past eight and a half years? Causing a loss to Government and people over twelve billion dollars by depreciation of values, loss of labor and other causes. It is logical, that if ever there was a cheap money that did not depreciate, other issues may be made that will not depreciate, if they embody the same principles and surroundings and that too without a gold redemption, and as these pages show, new, tried and effective principles may be added that did not accompany the issues above referred to, thus making all issue doubly sure.

I will follow the magazine writer a little further as he intimates that all money afflictions are brought upon the people by the issue of cheap money. So far the consideration of those who have never looked up the matter, I will affirm without any fear that I can be answered, and be able to prove, that more evils have fallen upon man through the working and failure of gold

banks and the specie payment system of money, than from all cheap money issues the past 200 years. Yet these facts are totally ignored by the enemies of "cheap money."

For me to name in detail the voluminous failures of the coin redemption banks and "Hard Money" systems, the heartache, misery and the material loss occasioned by their failures, the record would be unnecessarily long. So I will only refer to a few noted cases. The City of Glasgow Bank with its 133 branches failed in October, 1878 after a comparatively long life, leaving its notes unredeemed and its deposits unpaid to the amount of $30,500,000. This was a *gold bank failure* not a "cheap money" bank and the loss and misery caused by it will never be known.

The Baring Brothers' failure a few years ago, with liabilities of $105,000,000 dollars promised to be the most disastrous bank failure of the Century and a money panic in Europe was only prevented by the timely assistance of Russia's $7,500,000, France's $15,000,000 and a guarantee fund of $86,000,000 raised by subscription.

This eased off the most serious part of the threatened European money panic. But the thought of its coming so near, shook with ominous effect the financial centres of Europe and South America, and proved a disastrous quake in Australia whose Joint Stock Bank failed with $65,000,000 liabilities. The deposits amounted to $55,000,000. The bank had 200 branches in Australia. Following the above failure it was announced the bank failures of Australia altogether amount to $440,000,000. These are the most important failures since the Barings' failure of England. These were reported before 1893. The Bank of England failed in 1797, 1837, 1847, 1857 and 1866; that is, it closed its doors against its note holders and depositors, contrary to law, it could not redeem its notes. During the first named failure the Government came to the aid of the bank and granted the bank the right to issue an unlimited amount of irredeemable notes and the Government made them a legal tender. This bank up to its 1797 failure was a gold bank of the most pronounced type. After the Government came to its aid it was made a "cheap money" bank and remained so for over 20 years. During this period the Bank of England was a tower of strength to the Government. The loans negotiated by the bank for the Government during its cheap money existence amounted to £350,000,000. But what, after all, enabled Great Britain to surmount all diffi-

culties and come off victorious in one of the greatest contests of modern times was the wonderful development of her producing forces occasioned by the abundances of money put into circulation by the war—*irredeemable paper* though it was. All classes of society participated in the general prosperity which prevailed during this twenty-three years of irredeemable "cheap money."

No one was so blind as not to be able to see, that Great Britain was enabled, by her cheap money alone, to carry on her wars on the continent, and that by it alone, were the people enabled to make such remarkable progress in commerce, agriculture, manufacture and war.

We may reap instruction by a partial summing up of the two cases: That of America before the greenback issue, the Government and the people were in financial straights—gold and silver coin had left the channels of trade. The banks had all suspended specie payments except on the Pacific Coast; currency for business was confined to notes of suspended banks; no gold or silver coin could either be bought or borrowed or collected as a tax from the people; business depression was heavy upon the people, and a Civil War pending all were suffering and no relief in sight. The same may be truthfully said of Great Britain before the Bank of England closed its doors in 1797 against its patrons, depositors and note holders. This suspension did not take place until the bank had refused all discount to its customers, even on the best sixty day commercial bills secured by Government security. Bear in mind, the financial trouble in both countries was caused by the failure of numerous bullion banks, not "cheap money" banks. Both countries took nearly the same means to relieve their financial affliction. The Bank of England notes were made a legal tender by Parliament. The American distress was relieved by the issue of the greenback and other treasury notes. After the above issues of irredeemable "cheap money," business immediately revived. Men were encouraged and took up their broken threads of business, and general prosperity was enjoyed by the people of both countries; England enjoyed it 23 years and America 19 years. At the end of these periods the bullionists commenced their work of restoring gold redemption.

Then it was the people suffered physically, mentally and financially, even worse than before the bank failure over 20 years before. I must not pass this question without referring to the

French who are credited with being more successful in the management of money matters than most civilized nations. Yet they have had their financial flurries, money panics and industrial depressions arising from the collapse of their specie payment systems, and the thing to note is, they helped themselves out by issuing a legal tender paper money, the same as Great Britain and America has done as recited above. I will refer to only two noted instances, viz: 1848 and 1870, when the French were put to the test. In the first case the financial stress was so great, that out of a payment of twenty-six millions fallen due only forty-seven thousand francs could be collected.

In this extremity the Government came to the rescue, and, on the night of the 15th of March, the notes of the Bank of France were by a decree made a legal tender. After the decree, the great difficulty met with was to print the notes fast enough for the public consumption, in ten days the amount issued reached 800,000,000 francs, more than 100,000,000 was made over to the Treasury and the executive departments of Paris; 230,000,000 francs were loaned to the Government on exchequer bills. The bank made advances to the City of Paris, to Marseilles, to the department of the Seine, and to the hospitals, amounting in all to 260,000,000 more.

This was not all. To enable the manufacturing interests to weather the storm, a decree of the National Assembly had directed warehouses to be opened for the reception of all kinds of goods, and loans were made on merchandise stored in these warehouses, some 18,000,000 loaned to the people of Havre, and 14,000,000 to the people of Paris—in all 60,000,000. Thus every interest of the community from the Minister of the Treasury down to the trader in a distant outpost was protected. Thus by this issue of paper money was a fresh supply of business life-blood pumped into the exhausted arteries of trade and industry.

In 1870, the Bank of France suspended specie payments and issued legal tender notes to an immense amount, with like marvelous results. The amount increased from 275,000,000 francs in 1871 to 602,000,000 in October, 1873. These irredeemable notes, as in the other cases referred to, relieved the money pressure, and the industries proceeded with greater prosperity than before the failure of specie payments.

Again, to save the industries of France from collapse after one billion dollars gold,—its then business life-blood had been

paid as indemnity to Germany. France immediately issued five hundred million dollars of legal tender paper money to fill its place, and the French people vigorously prosecuted their industries with it, and, so far as business was concerned, never missed their gold, and flourished better without it than Germany did with it.

The point I make here is, gold coin having disappeared, business depression was prevented by the issue of paper money. Mind you, paper money did not drive the coin out of the country, the German army did that. It must be observed that it makes no difference whether coin is driven out of the country by a war of nations, or driven out of circulation by a financial war, the disastrous effect upon business is the same in all specie payment countries when coin from any cause is scared or driven out of circulation, but the trouble is soon remedied if its Government is wise enough to issue a legal tender paper money to fill its place, as England, France and America have done. It would more than fill its place, if it was issued by the Government and loaned by it to the people upon security.

Allow me to ask. Can bullionists point to any achievement of coin equal in importance the "cheap money" performances above referred to in England, France and the United States? If not what can they think to gain by writing down "cheap money" when it performs feats for the good of man that private coin never did—and I may say—never will perform. From the above showing it would seem that "cheap money" was a more valuable business tool than coin. It no doubt is so, but to always insure its success, and its par value with gold coin at all times, it must be *issued* and *distributed as the Bill in these pages provides.*

It will be seen that the times, the gold bank failures and the loss and misery ingendered by it, and the triumphs of "cheap money" in restoring prosperity, plenty and happiness to the people, form some of the most remarkable pages in the world's history of modern times, as it tried men's souls as well as their money systems. Napoleon and the Southern Confederation were driven to their death by the use of "cheap money" which is the only money that could or ever did endure such political and financial pressure as those referred to above. Please note gold and silver left the channels of trade before the "cheap money" was issued. This being true in all cases, bullion advocates should for truth's sake cease claiming that "paper currency always drives

gold and silver coin out of circulation." When the truth is, as in the cases cited. Coin always hides in times of national trouble and financial depressions, and "cheap money" is forced in to fill the void left by the coin.

Another thing to note: All the financial trouble in the cases referred to, was caused by the suspension and the resumption of specie payments; and all the prosperity which was unprecedented was between the suspension and resumption panics, and was effected by "cheap money" with no metallic base.

The following are some of the individual gold bank failures that took place in California during the space of 28 years. There have been the tumbling down of Palmer, Cook & Co., Adams & Co., Page, Bacon & Co., Burgoyne, Wells, Wright, Neglee, Lee and a dozen or so more banks with more or less loss during the 28 years. None of these failures can be charged to "cheap money." These were gold banks failing upon their own merits, at different times, without a threatened war, or a scare from any other cause to create a money panic save their own weakness. 1837, 1853-4, 1857-8, 1860-1, 1873 and 1893 are some of the more conspicuous, general gold bank failures that ever afflicted the people of the United States. From the date of their first effect until the "hard times" ceased, varied from seven to ten years,—approximately.

The rumbling of the approaching 1893 panic, began to be heard during President Cleveland's first presidential term. Caused by the retiring and the destruction of $147,000,000 of National Bank notes, about $26,000,000 greenbacks in the Treasury for the further redemption of National Bank notes, and $10,000,000 in notes supposed to be lost. Thus making $183,000,000 of business life-blood withdrawn from use at a time when the country should have had at least $200,000,000 of new money to keep pace with the growth of the country as every year added one million to its population and two billion dollars in value to its wealth, and of course required money in a proportionate ratio.

The cause of the rumbling above referred to began to be *felt* the first year of Benj. Harrison's presidential term by 10,882 commercial failures, and followed in 1890 with 10,907, 1891 12,273, 1892 12,314. Thus making 46,376 commercial failures during President Harrison's four years. A larger number of failures than any four years had ever before produced, yet Republicans tell us these were prosperous years. The voters of the country

did not think so, they blamed the Republicans for the hard times, and without saying "by your leave," thrust them from power, and replaced the Democrats, who willingly took charge with Grover Cleveland as captain who recklessly steered into the full blaze of panacy glory and helped it on to full fruition by having the Sherman silver law repealed, by which the people had been receiving $54,000,000 of new money yearly. This coupled with other causes then working brought on the 1893 money panic with its 16,650 commercial failures, 1894, 15,650; 1895, 13,197; 1896, 15,286; footing more failures during President Cleveland's second term than any former four years, which combined with the failures of Mr. Harrison's term make 107,141 commercial failures during the eight years our present money famine has been running up to the fourth day of last March and the end is not yet, however Congress and the President is looking for the end through tariff spectacles. They may see it, but it will not come through tariff manipulation. A money famine caused the trouble and it can only be permanently removed by liberal supply of money in the channels of production and trade. A large supply of money hoarded in banks and other places will not answer, it must be in circulation, and under our present private money system that is difficult, as no known power can force private money into circulation if its owner refuse.

Such is our present situation and so it has been the past eight and a half years. No money panic ever occurred when money was circulating freely among the people, and as *private money* (we never had any other) can only be circulated when its owner wills. So, to avoid all future money flurries, money famines, money panics and all suffering and loss inflicted by them, a new system of money must be adopted, viz: *A Public Money* such as the bill herein provides.

Section 3 of the bill says, "The branch bank directors shall loan money to the Government, to the States and to the people, upon securities which shall consist of Government and State bonds at 90% of their gold market value, and on gold and silver bullion at 90% of their market value in gold coin, and on real estate at not more than one-half of its taxable value, and at a rate of interest not to exceed 3% per annum. Let me ask, if money had been loaned to the people, to the Government and to the States as above stated in 1889 and since that the money famine the people have been passing through the past eight and

a half years, with their suffering and $15,000,000,000 loss of wealth could not have taken place? Or any part of such money depreciated although made of cheap material? Bear in mind, that according to the above bill *gold coin* is the *standard* of *value* and all money made a full tender. We must remember also, that during this eight and a half years our Government has loaned hundreds of millions of "cheap money" to the National Bank owners for 1% per annum and not one penny depreciation ever took place, although hundreds of the banks to whom the money was loaned failed and went out of business, yet their notes did not depreciate as they were fully secured. Suppose our Government had loaned a full legal tender cheap money during this eight and a half years to farmers, miners, manufacturers, merchants and other business men as well as to bankers, upon the same kind and similar valuable securities as the bankers gave, would it have depreciated any more than what the bankers borrowed? If not, could the above named panic have taken place? If not, what is the magazine writer, and the old political parties kicking about when more cheap money is demanded? Seeing this money by yielding an interest, would be a relief and not a burden to the Government like the greenback, as *the borrower or his property would redeem every dollar.*

Loaning to the people as the bill demands would enable every citizen to obtain money upon the same terms as bankers. Thus making interest uniform and the supply of money ample and certain in business channels, and money panics impossible with money thus distributed.

The inforcement of the principles of this bill would date a new era in Government finance and money, making as great a revolution in them as steam has made in commerce or electricity in the transmission of intelligence.

To circulate money after making it sufficient for business purposes, is as much the duty of the Government of a country as it is for it to make it. And it seems as much out of place for a Government to shirk or farm out this important duty, as it would be for it to shirk any other constitutional duty. The Treasury department, the Post Office department, Judiciary, the Executive, or any other department, as money like water and manure becomes useful and valuable by being properly distributed. The loss and suffering the people have endured the past eight and a half years, because money could not be circulated, as the welfare

and happiness of all the people depends upon it. Our Government has the right to make, loan and borrow money, and are justly entitled to all revenue derived therefrom. It seems unstatesmanlike for Government to go abroad to borrow money which it has full power to make and distribute. If the bill herein was enacted the Government would receive a large revenue from the money loaned by the banking department and borrow all the money it may want from this bank, and cease going abroad to borrow.

Above, I have lightly touched the subject of the evils arising from both dear money and cheap, and think the preponderence of evidence is greatly in favor of cheap money as the lessor evil, and if issued and distributed by the Government direct to the people upon security, then it would be so superior, comparisons would be odious, as that is the only safe and just way of distributing money from first hands.

I could follow the Century writer in his further wanderings in search of more evils arising from the issue of cheap money. And I could continue to point to more broken banks, robbed depositors, shrinkage of values, business failures, money flurries, money panics. Misery and death, brought upon man by the failure of gold banks and the failure of the specie payment system of money, but enough has been said on both sides to convince the reader that the times are fully ripe for the introduction into the world of a new and more perfect system of money, the more so, if a system can be invented so perfect that *none of the evils* arising from the cheap and dear money system of the past and present would ever afflict the people of any country that adopt it. For such a system the reader is referred to the system elaborated in these pages, as it contains all the virtues of the dear and cheap money systems of the past with many new ones added, but none of their defects.

This same writer in the December number of the Century thus discourses against an increase of currency, "If the circulation were to be doubled, or trebled, or quadrupled, what reason is there for believing that the people who have least at present would have any more? How would they go to work to get some of the increase into their own pockets? How can a man who wants some of it obtain it except to give labor or goods for it? Who are the men who hope, in some mysterious manner, to get money into their pockets through a great issue of cheap money by the

Government?" The gentleman will see below "Who are the men who hope, in some mysterious manner to get money into their pockets?" In fact, how to both get and keep money into their pockets.

It is a conservative estimate to claim, that the debts of our Government, the States and their people is $20,000,000,000, which at 6% yield money lenders the enormous sum of $12,000,000 dollars yearly, but under the public money system outlined in these pages, money can always be borrowed for a uniform interest of 3% per annum, which would be more equitable and save the borrowers $600,000,000 yearly, *quite a sum truly,* from which "to get some of the increase into their own pockets." Enough yearly to build three Pacific railroads, or to employ all the unemployed industry of the country, to make improvements, open farms and mines, keep factories and business running, paying debts, paying for labor, paying for food, clothing and schooling for children, paying for material and erecting improvements, paying merchants, farmers and manufacturers for supplies, etc. These are ways some of this $600,000,000 of unjust interest would circulate and get into the people's pockets, putting food in their mouths, clothes on their bodies, shelter over their heads and joy and thankfulness into their hearts. Besides the above this public money system would circulate other money to supply the people's need, which private money owners have refused them the past eight and a half years, hence arose our present financial afflictions. It must be remembered that rich men and bankers borrow money from one per cent. to four per cent., while poor men requiring small sums, pay from ten per cent. to twenty per cent. More people have been evicted from *their homes* in the United States the past year, because they could not pay this usurious interest, than have been evicted from *rented homes* in Ireland the past 20 years. So this public money system would not only save money in the pockets of these poor people (our brethren) but it would enable them to retain their homes for the enjoyment of wife, children and self.

Does the magazine writer begin to see "How men can get money into their pockets through a great issue of cheap money by the Government?" If not look further along.

The losses the Government and people have endured the past eight and a half years from idle labor, idle machinery, idle money, idle transportation plants, broken banks, commercial failures,

business depression and greater than all, *depreciation* of *values* the wnole loss estimated to be $15,000,000,000, caused by a deficient supply of money in production and trade channels. I claim if Congress had authorized an ample issue of money in 1889 when the present money famine first began to be felt, and distributed it as demanded by the bill herein, the entire loss above named would have been saved, as then, good times would have been the rule. So instead of a $15,000,000,000 loss the past eight and a half years there would have been $17,000,000,000 added to the wealth of the nation during that time, as $2,000,000,000 of wealth per annum is only the normal increase of the wealth of our country in prosperous years. The difference between a $15,000,000,000 loss and a $17,000,000,000 increase with *no loss*, is large enough to put large sums of money into the pockets of a million people, or kept it there, instead of loosing it as they have the past eight and a half years. If an ample supply of public money issued in 1889, would have saved the country and the people the loss and suffering they have since endured, it would be potent enough, to prevent all future money panics, if it be issued and circulated as the foregoing bill demands. Does the opponents of cheap money yet see how money could get into the pockets of the people by ample issue of money by the Government?

The improvements and civilizing influences above named all tend to man's happiness, and as none of these can be produced without money, a cheap supply of money should be the first consideration.

The aim of cheap money advocates is not to make a poor money by making it of cheap material, any more than we would wish to make cheap food, cheap clothing and other necessaries by making them of poor material. The legitimate aim of improvements, is to make things better as well as cheaper. Cheap money as herein advocated is *gold standard in value*, but stamped upon *cheap material*. It is a full tender and will pay as much debt, and as much tariff and taxes, dollar for dollar as gold coin. We want cheap and good money, and the enactment of the within bill would provide it. Not cheap because poor, but cheap because plenty.

We can't expect to have cheap and plenty of money made of gold, any more than we could have cheap foot and yard measures, or cheap gallon or bushel measures made of gold, yard measures made of steel would be cheaper than if made of gold, if made of

wood still cheaper, yet they would measure length just as accurately as if made of gold. Gold foot or yard measures are just as essential for correct measures of length as gold coin is for correct measures of value, silver measures of value are in their material cheaper than gold and paper measures are still cheaper, yet either material made legal measures of value will measure values just as accurately as measures made of gold. The National Bank note measures values just as accurately as gold coin, because it is secured by a gold coin value and is worth its face value in gold coin whether the bank issuing it be alive or dead. So it would be with the public money advocated in these pages it would be all amply secured whether it be made of gold, silver or paper.

Although our present measures of value are largely made of cheap material, its method of distribution is so imperfect that money is no cheaper to the borrower. We must have cheaper money, and to have it cheaper it must be plenty, and to be plenty it must be made of suitable and cheap material, mostly of paper, as gold is too scarce and too valuable to be plenty, and silver too bulky to be satisfactory. But if the within bill is enacted, money will always be abundant and obtainable for 3% per annum, and distributed upon demand by the Government banks to the people, to the States and to the Government, to be secured by State bonds, Government bonds and bullion at 90% of their market value in United States gold coin, and real estate at half of its taxable value. We fail to see why every citizen should not have the same privilege as bankers, to borrow money of the Government, by the enactment of the within bill, they would acquire that right, as its essence is, equal rights to all, special privileges to none.

The ideal money system is an institution of absolute security, whose money must be sound in quality, ample in quantity, its circulation just, its redemption sure, its interest uniform, neither too low nor too high, but approximating the net income of the industries and *always obtainable upon security.*

I unhesitatingly affirm with no fear that I can be answered, that the *public money system* herein advocated *fills every demand of the ideal money system, while our present money system fills only one* of its demands. No wonder we so often suffer financial afflictions.

Our National Banking system is superior to any banking institution ever organized in America, yet it don't fill the bill. Its

notes are safe and that is the only thing about them that is absolutely secure, and the only qualification they can justly claim of the requirements demanded for the ideal money system.

Senator Stanford proposed to coin land values into money. Another Senator wants State credit coined into money. Bullion owners demand that all bullion be coined into money, etc. Yet if all these demands be granted they would not fill the requirements demanded by the ideal money system.

The money system herein elaborated contains all the virtues of all American money systems with none of their defects. It will supply more of the demands of the ideal money system, than the Stanford, the National Bank, the "hard money" and the greenback systems combined without making, farmers, National Bank owners, bullion owners or any other class of citizens special pets. The Stanford plan is confined to farmers and limited in time to 20 years. The advantages of the National Bank bill is conferred only on National Bank owners and limited in both time and amount. The greenback and hard money systems are arbitrarily limited in amount either by law or scarcity of material. The public money system herein is limited in amount only by "demand for use," that being the *natural law* of *limit* and the life of the nation is its only limit as to time, the same as any other department of the Government.

Public money as elsewhere stated, is money created by Congress and owned by all the people, and loaned and administered through a Government Banking department for the benefit of the Government, the States and all the people. The banks of this department are banks of savings and deposits as well as banks of loaning and redemption. So it requires no argument to show that money deposited in these banks would be positively safe.

In conclusion we suggest that as we have used only *private banks* and *private money,* the past 100 years, resulting in money flurries and panics every few years as a punishment for our ignorance, or selfishness, to teach us knowledge and truth, suggests that *public money* and *Government banks* should now be tried, and if tried, would surely prove to be the *gospel of financial salvation to both Government and people.*

CHAPTER XXIX.

INFLATION, ISSUE, REDEMPTION, ETC.

If this banking department was in operation, the questions of "inflation," "issue," "redemption" and "specie payments," would be forever settled. And whereas, all other Government departments are expensive and mostly maintained by public taxation, this department would pay its own way, redeem our present greenbacks, (should that be required), pay our national debt and furnish the American people with a national currency (public money), uniform in value, always adequate in amount, but never a surplus, and the words "inflation," "contraction," etc., that now engross so much of the attention of Congress would have no meaning in connection with currency, and in times of public danger when the national credit ran low, this department would be the financial backbone of the Government, giving tone, credit and strength to the whole structure. Our Government would soon be the largest money lender in the world, now it is one of the largest borrowers.

By the assistance of this public money, the people of the United States would increase their material wealth faster than at any period in their past history. Confidence would be firmly restored to the business community, mines, factories, farms, railroads and other enterprises could be built, opened and operated, that now cannot be done with money supply uncertain and interest high and fluctuating. Then no fears could exist of money getting scarce or interest so high, no business could be profitably transacted with borrowed money..

Why should we not have such a currency? Money is created by law to produce, measure and exchange values, in fact to facilitate the transaction of business, and of right, should be limited only by the demands of that business.

Now business, the production and distribution of wealth are limited by the supply and price of money.

What would be thought of the Post Office department created by law to facilitate communication, yet hampered and restricted, so as to carry only a part of the correspondence? Yet a law forcing the postal department to limit the correspondence, would be less objectionable than the law permitting the currency supply to limit or in any manner hamper the business of the country. The first withholds information only, the latter withholds business life-blood, and deprives many people of life's comforts—food, clothing and habitations.

Borrowers being the distributors of money from first hands, should always be supplied with money if they tendered the legal security. Under the system of public money herein advocated no one could be refused.

Fortunately the postal department keeps pace with the spirit and improvements of the age; but in national finance and currency, no improvements have been made for scores of years. The law created the postal department, but set no limit to the correspondence.

The law creates the currency, but limits it in quantity, consequently limits the business intended to be transacted by it. Not only so, but places the distribution of it measurally in few hands, thus giving man power to make money plenty and cheap or scarce and high.

With money resting on so unwise and fluctuating a foundation, who can wonder that financial earthquakes occur so frequently and shake the financial centers of business throughout the civilized world. Under the money system herein advocated no financial quakes would be possible, as money would always be available at three per cent. per annum upon proper security.

CHAPTER XXX.

THIS BANKING SYSTEM SHOULD SURELY BE TRIED.

This banking institution being owned by all the people, and operated by their own chosen agents and its currency a true representative of value and always at par with the gold coin standard of value, being all secured by durable property worth more than the face value of the currency loaned upon it.

The magnitude of the operations of this banking institution, its order, its dignity, responsibility and certainty of its operations, must command the attention, confidence and respect of man and would be adopted in time by all civilized nations, and thus become the universal money, it being a worthy example for all to follow; and thus escape financial panic, and the modern curse of an inadequate currency unjustly distributed.

What would be the influence of the English Bank upon the business world, with its one or two hundred millions of circulation, and its monthly changes of interest, with its suspensions and resumptions, compared to this national institution with its billions of circulation, and its interest as steady as the needle to the pole and always open for business with an ample supply of money on hand. It would never be under the necessity of protecting its honor by the selfish act of raising the rate of interest on its loans.

Congress could find no doubt as much authority to justify it in organizing this banking department for the purposes here specified, as it did to create a navy department, an agricultural department, or even a postal department, and should it be organized as the foregoing bill provides, the confusion, inadequacy and uncertainty now existing in our present monetary systems would be changed to order, dignity and certainty.

It is an historical fact, that the United States have not now nor ever did have a just and adequate system of national cur-

rency, at times some parts were well supplied while other parts were suffering.

Experiments and expedients numerous have been tried and found wanting, and much valuable time consumed in patching and propping imperfect theories which eventually went down.

Now that a *just* and *adequate* system of public money has been devised, adapted to the wants of our people for all time and for all emergencies in both peace and war. *It should at least be tried.*

And as the people of the United States are the only power that can order a system of public money, and as this is for the people, the people should vote its prompt adoption and thus settle the troublesome money question justly and permanently and reap the reward of the transaction.

This public money system is not only a bank but a system of banks organized into a department whose currency would supersede our present greenbacks, the National Bank note, and all paper issue that circulate as money, and thus reduce our eight varieties of currency to three, viz: Gold, silver and this Government Bank note. This note being always at par would become an acceptable substitute for gold and silver coin. As all of it would be *public* money owned and loaned by the people.

A system of currency that promises so many blessings as this does should surely be tried, or should it only supply a currency for home use just as good money is coined gold, safe, sound, ample and flexible and justily distributed. Then it should be adopted, even if all other blessings, claimed for it failed to materialize.

All other banks and banking systems with which we are acquainted contain the seeds of their own dissolution, but this banking system would be co-existent with the life of the State and contains the principles of self-perfection.

This system will be a national money barometer—so to speak, which will tell just how much currency the people keep daily in circulation, and give the information with as much certainty, as a barometer tells the state of the atmosphere, or the thermometer tells its heat.

It will equalize all its currencies to just 100 cents to the dollar, whether they be made of two or more kinds of material, as all will be thoroughly secured, as well as a full legal tender.

A "run" upon these banks would make money plenty and the banks rich. The more money legally drawn from them the richer they would be. So we again repeat, *it should be tried.*

CHAPTER XXXI.

THE INFLEXIBILITY OF GREENBACKS.

Mr. Sherman (member of Congress) opposes an exclusive greenback currency as not "flexible enough," which is very true, as there is neither redemption, extension nor contraction in it to meet trade requirements, but the money of this proposed National Banking Department has those powers and without limit. Its currency would multiply and circulate as business demands increased, and contract as business decreased, consequently no inflation or deficiency of money could ever afflict the country. All money should have those qualities; otherwise when the country is exceedingly prosperous, wealth rapidly multiplying, enterprise and improvements augmenting, mines, factories and farms producing like the "seven plentious years," a panic is more likely to arise then, than when less is produced, if money is not flexible. As all products have to be exchanged many times in process of production, transportation and manufacture, and paid for as often, before they reach the consumer. Consequently requiring hundreds of millions more money to exchange and measure such immense amounts of products and move them to market, than when the country is less prosperous, hence there is a lively demand for money to exchange them, and money owners fearing loss draw their money from the banks. The banks being thus admonished to be cautious, raise their discounts, and in a short time perhaps call in their loans and refuse all customers. Troubles in business are sure to follow; factories and enterprises are curtailed or stopped and their operatives turned into the streets to suffer, the products remain upon the farm, and instead of being used as food for the needy they are consumed for fuel or otherwise wasted, and all for the want of an ample and flexible currency, that like Elijah's meal is always sufficient yet never a surplus.

The foregoing bill would supply that flexible currency and in ample amounts.

The Bank of England it is said confers many blessings upon the English people and yields a large revenue for its owners, yet its rigid course and limited powers prevent it from arresting financial panics, and self protection compels it to tighten its reins and thereby hastens panics it is powerless to prevent. In fact it has not had power in times past always to protect its own credit.

At one time 23 years passed and the bank could not redeem its own obligations, and its paper passed at 26 per cent. below par, and all because of its inflexibility, it could not contract or redeem. Although its powers for good are many, its powers for evil are also great, and British merchants complain of the autocratic power with which the bank rules the domain of commerce. They assert that all business transactions are impeded by its varying scale of discounts. It contracts its loans when the nation most needs aid, and produces a constant uncertainty in the result of all business.

Trade and production should be free from all such restrictions and the price of money should seldom vary, if it does it is no more fit to justly measure values, than a rubber yard stick would be for a measure of cloth.

The succession of a long series of years of financial panic in England, is proof of the bank's inability to protect the English people from financial trouble. Yet this is believed to be the most powerful money bank in the world, but its weakness is shown when great financial exigencies are to be met, then, if no help appears—it is more harmful than helpful. As then it must protect its own interests and to do so, it comes down on its customers by raising discounts, calling in loans, and finally refuses all accommodations. These actions of the great bank are infectious and other banks pursue a similar course, and soon the business of the whole Kingdom is unfavorably effected and panic ensues, with its losses, business depression and misery.

These evils are brought upon the people by banks striving to protect their own interest which they can only do by oppressing their own customers as stated above, as they are private banks, of issue with only limited privileges and an inflexible currency.

This inflexibility of private currency has cursed the civilized world periodically for ages, by producing money flurries and money panics such as the people of the United States suffered in 1837, 1854, 1873, 1893, and at other times, the affliction last-

ing several years each time. And as there can be no radical change for the better while present methods obtain, it seems tne times are ripe for a change of method from private banks to public banks of issue, savings and deposits. And as the coining, issuing and distributing of money is a sovereign prerogative, and as the people are the Sovereign, the bill under consideration if enacted, would restore to the people their plenary power of making, owning and loaning public money and of course all net advantage arising from the business would be a part of the public revenue, to be used for public improvements, paying the public debt, or expended in any way Congress may elect for the general good. This change would give our currency a flexibility and certainty never before enjoyed by our people and being ample in quantity, and always obtainable on demand. No money flurry or money panic could again afflict our people. This money being ample in quantity, sound in quality, always obtainable and thoroughly secured, will be all redeemable by the *borrower,* the same as the National Bank note is now redeemed.

CHAPTER XXXII.

A SAFE CURRENCY MUST BE PUBLIC INSTEAD OF PRIVATE MONEY—PRIVATE MONEY IS TOO TIMID TO BE SAFE.

No doubt the establishing of a just, ample and efficient money system for these United States would prove a greater blessing to the people than any material thing they ever contended for save it be their independence.

It appears those most loudly demanding a "sound, stable and reliable currency" during our last presidential campaign are leaders or followers of those having absolute control of the Government these many years. They have enacted all laws affecting our currency during that time.

They adopted the gold standard; demonetized silver coin, enacted and enforced the law of specie payments, reduced the currency of the country by bonding, burning or otherwise destroying over one billion dollars of greenbacks and other treasury notes, stopped the coinage of silver, and enacted other laws confessedly for the purpose of maintaining a sound, stable, honest and reliable currency, yet the currency has not been reliable or trustworthy, as it sneaked into hiding at different times and forced upon the country money flurries, black Fridays and money panics with all their trains of loss and misery. With this absolute power indicated above in their hands these many years, and their professed desire for an ample, sound and stable currency, the question is, why have they not had ere this, the sound, stable and reliable currency they are clamoring for? Echo asks why? The answer undoubtly is they do not know how to make such a currency, or they are dishonest in their demands and do not want a sound and stable currency. If they did want it and knew how to make it, they could have had it long ago and thus prevented all former money panics and all future ones.

To claim we have had an ample, sound and reliable currency

is simply childish viewed in the light of the money flurries and panics the country has suffered the past sixty years. A currency could no more be sound, stable and reliable that was always hid or hoarded in time of financial trouble, than a soldier could be considered reliable who deserted his post in times of danger. Yet such has been the character of our currencies for scores of years.

The reason why our money is so timid and has not served the people better, and been a greater blessing to mankind is, it has been exclusively *private* money, and its withdrawal from circulation through fear of loss has caused all our former money troubles.

None of the different ways proposed to settle the money question by increasing private money at public or private expense will ever satisfactorily settle it.

Nothing will prevent money flurries and money panics but an ample supply of *public* money as an auxiliary to *private* money, owned and loaned by the people to the Government, to the States and to individuals upon securities of unquestionable value, such as bullion, State and Government bonds at 90% of their gold market value, or upon real estate at one-half of its taxable value, at a rate of interest not to exceed three per cent. per annum and made always available whether private money is, or is not available.

Such a system is provided for in the foregoing bill and it would produce the only sound, ample, flexible and reliable currency and all on a parity, although consisting of gold and silver coin and paper, as every dollar of it would be secured by durable and valuable property up to its full face value and the burden of its *redemption* would be upon the *borrower* and his property, the same as the National Bank note is now redeemed, without burdening the Government. A money thus produced, loaned, secured and redeemed, would be *public money,* always available.

The above is the substance of resolutions upon the money question passed by organized bodies of men in times past, but unfortunately they were linked with other resolutions demanding more private money which served to confuse rather than enlighten. Their aim, their objective point is evidently *public money,* but as yet they have not settled in their own minds as to what is *public* money and what is *private* money, nor do they seem to realize the difference, the great superiority of public

money over private. As soon as they realize these things they will cease demanding more private money, either by the free coinage of silver, the further issue of greenbacks and National Bank notes, or by any other method. They would no more think of doing so then; than they do now of demanding our postal department to be administered and controlled by private interests only. Yet to compel the whole business of this great country to be done with private money is the greater wrong. Statistics tell us, we have had the vast sum of $1,600,000,000 of private money to do our business with the past few years. Yet the great timidity of its owners has prevented its circulation to a large extent during the past eight years ending January 1st, 1897, and during that time 106,845 commercial failures took place, an average of 13,355 yearly. Factories shut down, banks failed, much labor unemployed, the industrial arm of the nation paralyzed, misery, dispair, violence and premature death have stalked unchecked through the land and the end is not yet. This could not have happened had *public money* been available as the above mentioned bill provides. When our people grasps this subject in its true light. Then will commence the *real struggle* of justly, intelligently and constitutionally settling the money question. The question will not stand as it does now, as to whether "hard money," "gold standard," "free coinage of silver," more "National Bank notes," or any other *detail* of the money question shall obtain; but the question will be "shall we continue the exclusive use of *private money,* or shall private money be supplemented by *public money*? As authorized by the above bill.

This question being settled in favor of public money, will practically settle the money question, and the above details at the same time.

When political speakers during the 1896 election campaign, demanded a sound and stable currency, they evidently meant gold coin or a currency redeemable in gold, but they must use it as a blind only to carry their point by making the people believe in impossibilities and thus obtain their votes, as they are too intelligent not to know that gold has proved the most timid, unreliable and unstable currency known to civilized man, always disappearing upon the least suspicion of danger. All are too well acquainted with the fact stated to require proof. Besides, these speakers know that gold is too limited to form a safe basis of

currency for this great country, even could its timidity and instability be eliminated. The millions of idle workmen, idle machinery, suspended banks, commercial failures, closed factories and value shrinkage, the past eight years, is ample proof that gold coin being a private money, is too timid, unreliable and unsafe as a base being too limited. But the bill above provides gold and silver bullion, Government and State bonds and real estate as the *base* for *public* money, surely such is broad enough, solid enough, sound, safe and reliable enough to sustain as a base, all the currency the American people should require even should their number increase to one thousand millions.

We have had a gold base for our currency for a number of years, but where is it now? It has completely toppled, now we have neither gold, silver or a paper currency, it is all scared out of circulation except to a limited extent. Its base has dropped out. Our Government with 65,000,000 of intelligent, enterprising people to sustain it, is not able to get enough of this gold base to satisfy its necessities only by borrowing from Europe.

Gold being a commodity, it is drawn from us at times by nations whose right to it, and whose necessities for it appears greater than ours. They take away our currency base and the structure falls, and "great is the fall thereof."

Gold money and gold redemption is the most unstable and unreliable of currencies, particularly when deposits are extensively asked for, or a general redemption demanded, then the gold base totters.

After experimenting with the gold base, and gold redemption principle for these many years, our present panic is proof that no improvement has been made in it by time or use. A question here arises, viz: Why have not those who are always contending for a gold base, gold redemption and a gold standard made that ample, sound and stable currency they are always demanding seeing they had the power these many, many years? As they have not done so, it is presumed they could not do it, or that it could not be done upon their methods. Therefore they should uncomplainingly step aside and let other methods be tried.

They certainly will not be so unwise as to keep trying the same plan a hundred years as others have done with no success in sight.

All old methods having failed to produce the currency desired,

and having by repeated failures brought loss and misery upon the people, they should be absolutely and permanently abandoned and other methods tried. To keep peace in the family all must have equal service. The miner, the banker, the manufacturer, the merchant, the farmer, in fact every citizen must stand on an equal financial footing before the law; a fair field and equal financial favor must be accorded to all to insure a permanent peace. While non-producing bankers are allowed to borrow money of the Government for 1% and all producing classes denied that privilege there will be no peace in this household.

Under the bill being considered in these pages every citizen is accorded equal financial privileges. If the provisions of this bill had been in operation eight years ago, the hard times, with its failures, loss and misery the people have suffered during those years caused by our deficient money system would have been avoided.

If our present crisis could have been thus prevented, the principle is potent enough to prevent all future panics, as then there would be an *ample, sound and stable money always in reach.*

CHAPTER XXXIII.

HOW THE BILL, IF ENACTED, WOULD KEEP GOLD, SILVER AND PAPER MONEY ON A PARITY.

1st. All gold, silver and paper currency coined under that Act is made a full legal tender. All know what that means.

2nd. Not a dollar of this money can leave the banks only by being secured by property worth more in United States gold coin, than the face value of the money loaned upon it. Hence this *public* money so secured could no more be depreciated than could a man's note secured by property worth more in gold coin than the face of the note. Just as much security is required to secure the paper and silver money as the gold. And the paper and silver money will pay as much debts, tariffs and taxes as would so many gold dollars. Any part of this money can be carried back to the banks at any time and the banks will receive it at its face value and give a certificate of deposit for it drawing an interest.

3rd. United States gold coin is made the standard of value which is one of the highest money standards known, and all money, whether gold silver or paper its value is fixed by the bill to that of the standard. Money, being *"sovereign power"* its value is the same whether stamped upon paper, silver or gold.

4th. The borrower or his property redeems all this money. The same as the National Bank note is now redeemed by its borrower or his property. Thus the enactment of this bill will entirely relieve the Government from the burden of money redemption when the greenbacks, the silver certificates and other Government obligations now existing is cleared away.

If Congress enacts the bill above referred to, then all our money will be a full tender, its value regulated by law to a United States gold coin standard and loaned to every citizen who demands it for 3% interest per annum and furnishes the required security, such as Government and State bonds and bullion at

90% of their market value in gold coin, and real estate at one-half of its taxable value.

This arrangement we maintain would make and continue the three kinds of money on a parity for home use, "every dollar would be worth as much as every other dollar."

This we believe a reasonable claim, as the security taken by the Government from the National Bank owners to insure the full redemption of the currency it loans them, has been ample to maintain the notes at par with gold coin. Yes I know the law requires the notes to be exchangeable at the bank of issue for legal tender money,—coin or greenbacks—but that cuts no figure toward keeping them at par, as this secured note never depreciates even when the bank that issued it fails—and hundreds have failed. The notes are always worth their face value in legal tender, whether the bank that issues them be alive or dead, as they are all bottomed upon Government bonds which are held by the Government to insure the redemption of the notes, and if the bank be dead the Government takes the note business in hand, sells the security and redeems the notes at their face value in gold coin. So it appears the Government bond is the mainstay of the National Bank note to keep it at par or redeem it.

It appears the security is ample to keep these *private* bank notes at par, so the same principle of security is potent enough to keep all *public money* loaned by the above Government banking department at par, and the borrower or his property—not the Government—must redeem all at its face value. Consequently "every dollar will be worth as much as every other dollar" for home use, whether it be a gold dollar intrinsically worth 100 cents, or a silver dollar worth intrinsically only 60 cents, or a legal tender paper dollar worth nothing intrinsically. Their value is all regulated by law to a United States gold coin standard, as the bill demands, and all well secured as above stated.

In President Cleveland's financial letter written to Governor Nothern September 25, the following sentence appears, "I want a currency that is stable and safe in the hands of our people. * * * I want our financial condition and the laws relating to our currency so safe and reassuring that those who have money will spend and use it in business and new enterprises, instead of hoarding it. * * * I want a good, sound and stable money and a condition of confidence that will keep it in use." The above shows plainly what kind of a cur-

rency the President wants, but the most essential part of the money question he has not touched, viz: How that particular kind of money he wants can be produced? Certainly not since the formation of our Government have we had such a money. "The laws relating to our currency," have not been "so safe and reassuring" as to prevent hoarding, "and a condition of confidence that will keep it in use" has not appeared.

Therefore as no past money system has ever produced the currency or the confidence the President demands, a new system must be invented to produce the kind of currency the President and the rest of us want. We claim the system outlined above will produce the money and the "reassuring confidence" the President demands. And if it does not entirely prevent hoarding, it will render hoarding harmless. As the system of supply and distribution of money is so ample, just and certain that no amount of hoarding can check or interfere with business, as *private* money hoarding would only open the way for this banking department to loan, and thus put more *public* money in circulation to take the place of the private money hoarded.

No one could believe a money famine or a money panic such as has afflicted our people the past eight years possible, if money was always obtainable upon security and interest only 3% per annum.

The above are some of the blessings and fundamental principles of the system that will produce a good, safe, sound, stable money, ample in amount, never too much or too little always obtainable, with "a reassuring condition of confidence that will keep it in use." No one will care to hoard it if they did it would not check business, as there would be an ample supply always within reach of those holding the security.

The administration of the system above noted is by a Government banking department.

These banks will be banks of savings and deposit as well as banks of loaning and redemption, none of them can ever be broken, consequently all who deposit in them will get their money returned with an interest upon demand with no fear of loss.

One thing should yet be noted, viz: This is a Government revenue measure as well as a money system. The Government realization from it is variously estimated from $40,000,000 to $200,000,000 annually, a sum not to be despised at this time even by as wealthy a banker as Uncle Sam.

The greatest advantage this measure would be to the country would be its supplying the people with enough good money to keep the producing and developing forces of the country in healthy action all the time. The next greatest advantage would be reducing the average interest for the use of money from 7% per annum to one-half that sum, or less. Other numerous advantages are summed up elsewhere.

The enactment of the bill referred to, would be the gospel of financial salvation to our people and to our Government, and should by all means be enacted. It would be the most valuable and the most important bill in a financial sense ever before Congress. As preventing money famine and money panics with all their loss and misery, and equalizing the paving power of all our money without a gold redemption are of themselves no small items, and the Republic of the United States being a joint stock corporation, every citizen—poor or rich—would be stockholders—so to speak—in this, the richest and most important banking institution on earth.

CHAPTER XXXIV.

OUR CURRENCY WAR.

War has been declared by currency reformers against our present money system. The hosts are being marshalled for the fray, excitement and expectation are on a high key, and the demand for a change urgent, being pressed on by public opinion and by loss and misery now being suffered by our people and also by the financial humiliation of our Government brought on them, and it, by our present vicious money system.

The decree has gone forth, that the old *private* currency system must and shall be abolished and a system of *public money* substituted, a system that will supply a public money ample for all business, made of gold, silver and paper, every dollar of it worth as much as every other dollar, and always obtainable upon security, such as Government and State bonds and bullion at 90% of their market value in United States gold coin, and real estate at not more than one-half of its taxable value. The same to be a full legal tender, safe, sound and flexible, owned and loaned by the people to the Government, to the States and to individuals, at an interest not to exceed 3% per annum and administered through a banking department.

Said money to be received on deposit by the department banks, and *redeemed by the borrower* the same as the National Bank note is now redeemed. Thus entirely relieving the Government from the burden of money redemption, so far at least as public money circulates. Such in substance is the aim, desire and demand of money reformers to replace the old troublesome *private money* systems. This at first may look difficult, but if it is understood and administered through a banking department it will be seen to be easily understood, plain, constitutional, practical, lasting, just and complete. Surely such a reform is a worthy object and should claim the attention and assistance of the American people to have the bill enacted. As the thoughtful may perceive, that if the money system outlined above had been

in operation the past eight years, the $12,000,000,000 of wealth said to have been wiped out of existence by the money famine, the country has been passing through the past eight years would have been saved. You don't mean to say the enactment of your bill creating *public money* would have saved the American people *twelve billion dollars* the past eight years? Approximately that is it, but there are other advantages besides financial losses to come into the reckoning. What I do exactly mean is, all loss by depreciation of property, by idle labor, idle capital—railroads, factories, mines, money, etc., all loss arising from business depression and commercial failures, all heartache and headache, all hunger and nakedness, all suicides and death brought on the weak from exposure, and all misery of whatever kind forced upon the country by the *money famine, money panic* and business depression the past eight years, would have been *entirely prevented* had the bill above referred to creating *public money* been enacted in 1888.

I don't wish to be understood as saying there would have been no loss or misery in the country had the bill been then enacted, I only claim that all loss and misery brought upon the country by the money famine and panic the past eight years, would have been prevented, had the bill been then enacted, I will say further, if the bill was enacted now it would promptly restore the country to prosperity, and prevent all future money famines and money panics. Not only so, but it would enable the country to recover the billions of wealth it lost by the famine and in much less time than it was loosing it, as then the country would have an ample supply of business life blood and prosperity, a sure foundation upon which to rest.

The free and unlimited coinage of silver will come no nearer settling the money question or preventing money famines, and money panics, or supplying the money above demanded, than did the free coinage of gold or the issue of National Bank notes, as all are *private money*—Shylock money demanding usury—sometimes hoarded, always manipulated by the money power, always giving trouble, money flurries, money famines and money panics are its legitimate fruits, and as nothing better can be hoped for from such a system in the future, a change is demanded to the system of *public money* above indicated, as then money would always be in reach of the business community at an approximate equitable interest of 3% per annum.

An important question, What political party will enact the necessary laws to give us the money above demanded? Surely the Democrats will not do it, as they have had many opportunities to have enacted such a law the past hundred years, but they did not do it. They charge to the Republicans—and justly so—the hard times and money panic brought upon the country by destroying the greenbacks and other treasury notes in 1871, 1872 and 1873, also for the dull times and failures in 1889, 1890, 1891 and 1892, brought on they charge by a "high protective tariff." They succeeded in making the people believe this imaginary statement and in consequence the Democrats were hoisted again to power in 1893. Since then failures multiplied and times grew rapidly worse, yet nothing was done by them that relieved the situation.

The Republicans are no more to be relied upon for enacting a law that will give the country an ample, safe, sound and flexible currency than the Democrats. They charge our present financial and business depression to the Democratic "Tariff Agitation," yet the Republicans enacted all the laws that brought on the depression and the laws are yet in force. The Democrats formulated the American money policy almost exclusively from the formation of our Government to 1862 and money flurries, famines and panics followed frequently as a natural consequence during these many years. The Whigs and other parties that held power during those years followed the Democratic money policy of providing only *private money* for all business during those years. Since 1861 the Republicans have enacted all our money and currency laws, and it was the effect of those laws that brought on the 1873 panic, and under and by virtue of those laws we are now suffering another money famine, which began to be seriously felt in 1889 with 10,882 commercial failures; 1890, 10,907; 1891, 12,273; 1892, over 12,000; 1893, 16,650; 1894, 15,660; 1895, 13,197; 1896, 15,286; 107,939 commercial failures in eight years a formidable list truly, 46,156 during President Harrison's "prosperous term" as the Republicans claim.

The four years of President Cleveland's second term 60,783. Yet nothing was done by either party to check the country's down grade. Each party blaming the other instead of confessing their own short comings and endeavoring to stop the money famine. If the Republicans had enacted a law authorizing the making and distributing public money direct to the people in 1889 the

loss and misery above referred to, would have been only normal —being only a few hundred failures instead of double that number of thousands. And instead of the loss of $12,000,000,000 by idle labor, idle machinery, idle money and the great depreciation of values the past eight years $2,000,000,000 a year would have been added to the wealth of the country during the time, as that is about the normal growth of the country in prosperous years. So instead of a $12,000,000,000 depreciation, we would have had an increase sufficient to make $20,000,000,000 more wealth than can be found in the nation today.

This is too much of a loss to suffer from blind or selfish law makers. We read "The wisdom of your wise men shall perish and the understanding of the prudent shall be hid," because they trust to their own wisdom and make gold their god.

As nothing can be hoped for in the line of public money from either of the old parties our only trust must center in the Populist party, the Prohibition party, the Farmers' Alliance and the organized bodies of workingmen, as they are all demanding public money and are sufficiently numerous (if united), to enforce their demands. But unfortunately they are not united in action, although all demand *public money*, and in addition each party demands some minor matters—nonessentials so to speak—which other parties object to. Thus they keep the question of *public money* which all demand and upon which the welfare of all depends, in obeyance, while they disagree and dispute about trifles, such as "free coinage of silver," "double standard," "more greenbacks," and other modes for increasing private money. When public money would supersede all these by producing something better. It is well known that only a small part of the $1,600,000,000 of private money (we had no other) now in the country could be circulated the past eight years, hence originates the money famine now oppressing the country. A few score million more of private money could not have effected business but little, as $1,800,000,000 could have been hoarded by its owners as readily as $1,600,000,000 was. A well spring of *public money* always open for business, is the only remedy for money flurries, money famines and money panics. If it did not entirely prevent hoarding, it would render hoarding harmless, and perhaps turn the curse of hoarding into a blessing by enabling the banking department to loan more public money to take the place of the private money

hoarded. Public money being always available as stated above would at once lift the vail, restore confidence, and insure permanent prosperity, the object sought, and wisdom would dictate that all currency reformers not being able to effect anything alone, should lay aside all minor matters and unite to settle the money question beyond a peradventure, the old parties will not do it.

Free silver coinage means more silver certificates which will increase the power of conspirators to pump gold from the Government Treasury and force another issue of gold bonds to further enslave the American people. We must reflect, that the free coinage of silver produces private money and millionaires, more millionaires in fact than was ever created by any sovereign law in this country, which a little reflection shows, viz: The silver bullion in a legal tender dollar is now worth only sixty cents, if every sixty cents of the $500,000,000 worth of silver bullion now in possession of the wealthy was coined into a legal tender dollar, it would add $200,000,000 to the wealth of its owners by national law, enough to make 200 millionaires, and this would be added to yearly. I don't believe creating millionaires by national law was intended by the makers of the Omaha platform or by any of the currency reformers above referred to. Yet the free coinage of silver means *that*, as well as more silver certificates to burden the Government. Any political party guilty of creating millionaires by national law, either by free coinage of silver or any other way, at this particular upheaval of politics, will dig its political grave by so doing and sure to fall into it.

If silver is coined and distributed as *private* money it will not circulate any surer than other private money, but silver may be coined and distributed as *public money*—if wanted—then the people would reap the advantage of coinage, the money would circulate and no millionaires would be produced by the law, or more certificates issued to draw gold from the Treasury. If the people did not want to use the silver on account of its bulk, it should not be coined and the people could use the Government banking department note, instead of the silver certificate, as that would be a full tender amply secured.

It is quite evident the American people would not vote for the free coinage of silver, if they fully comprehended the evils likely to arise from it, in fact they did vote against it last election.

Public money, loaned by Government banks and Government

banks of savings, would be something that should enthuse every currency reformer.

When the demand for more *private money* ceases, and *public money* and Government banks alone demanded, our currency war will be drawing to a close. When public money is inaugurated and administered through a banking department—as the above bill provides—the war will be over, and the money question will be constitutionally, justly and permanently settled. Then private bankers would no more think of disrupting our public money system, than express companies now do of disrupting our postal system. Then no more money famines or money panics.

Then the people's banking department would be the *money power* of this country if not of the world. Then our Government would no longer be compelled to beg upon its bended knees as it were, of private bankers both at home and abroad for a loan of gold to enable it to meet its obligations, as this banking department could supply its every want, as this banking system would be the richest, the most powerful and important bank ever known, backed as it would be by $70,000,000,000 of wealth and 70,000,000 of people and all stockholders receiving its yearly net income to pay their Government's expenses.

Reader think of that, a bank of issue, of loaning, of redemption and deposit with $70,000,000,000 of wealth and 70,000,000 of people to support it. Think again, how insignificant—by comparison—would appear the present Banks of England, France, Germany and the Rothschilds. Besides this bank would work without selfishness for the good of all the people, while all other banks work for the benefit of their few owners. The currency war would be ended.

CHAPTER XXXV.

PUBLIC AND PRIVATE MONEY.

In a former chapter I have treated the above subject and stated I had discovered and numbered many blessings to be enjoyed by the people and by the Government through the use of public money that cannot be enjoyed by the exclusive use of private money and that new blessings were discovered as I searched more deeply into the subject.

The subject of public money, is so overtowering important as I view it, and but few writers if any have ever attempted to show its advantages although demanding that the Government loan money direct to the people. To make its advantages plain is my only excuse for presenting it so often and re-itterating solid facts that every American citizen should understand.

If public money could be secured and circulated as demanded in these pages, Shylock would awaken to the fact, the days of usury were past, and that great fortunes could not be so easily made as formerly from small sums of money at usury. With public money as demanded, business and enterprise could raise their ambitious heads once more with the full assurance the business of the country would no more be prostrated by the withdrawal and hoarding of private money.

The possibilities of public money would awaken in the hearts of the people new courage, by opening avenues of prosperity before them, producing for them a happiness to contemplate and enjoy.

We believe no one disputes the fact that the non-producing class is sustained from the wealth produced by labor and taken from labor mainly by scheming and manipulation of *private money*.

This abomination is encouraged by the Government compelling all to use private money or none. Thus the Government assists in sustaining this iniquitous monopoly. All may see how the

evils growing out of this private money business would be prevented by the organization of a Government banking department and the use of public money. The banks composing the department would be banks of savings as well as banks of loaning, and if the billions of private money now deposited in private banks was deposited in these Government banks it would be safe, and the Government would not use it for the unholy purpose of preying upon the producers by demanding high or usurious interest, or by foreclosing and getting possession of property at less than its known value. In fact there would be by comparison but few foreclosures under a public money system, as the interest being low no foreclosure would take place as long as the interest was promptly paid.

It seems as much the constitutional duty of Congress to "coin money, regulate the value thereof," as it is to "establish post offices and post roads." The first evidently means the making and distributing direct to the people upon security, enough money for public use, as much as the latter does the collecting, carrying and distributing mail matter for public good. What a blessing to the people is the postal department! A Government banking department for distributing public money direct to the people, would be a much greater blessing, if properly instituted, as under our civilization all things are done with money, we must have money before we can have food, clothing and habitations, with money all wealth is produced and all exchanges made, hence it should always be available upon demand to those complying with the law when making the demand and at an equitable rate of interest. Public money would fill the bill, but private money is not reliable, as double or treble an equitable interest is required by its owners, besides private money is not always available, as the history of the loss and suffering the past eight years fully attest.

Undoubtly Congress has as much right to farm out the collecting, carrying and distributing the mail to an express syndicate and give it the right to charge little or much for the service, as it has to farm out the issue and distribution of money exclusively to private parties, with the liberty to distribute much or little, as suited their fancy, and charge much for its use as is now done.

Money is a product of *sovereign law*, when stamped upon material it represents sovereign power, and to all intents and pur-

poses it is, or should be public money and would remain so, if the sovereign distributes it by loaning. Distributing it in any other way, it ceases to be public money, the owner—the sovereign —looses all ownership in it. If the sovereign uses it as it does other revenues, then it becomes private money and cannot be distributed only as its owner wills. Now, reader, seeing the United States has tried private money exclusively the past century, and in consequence, its people have suffered untold and unnumbered afflictions every few years, would it not be wise to try for once, a public money, as an auxiliary to private money? Then if private money owners from any cause refused loans, no trouble could arise in business circles on account of money scarcity, as the sovereign would be prepared at all times to supply every legitimate money demand.

Thus would public money be supplied straight to those wanting to use it, without the intervention of banking syndicates, free coinage of gold and silver, the issue of more greenbacks, silver certificates, National Bank notes or any other kind of private currency.

Greenback and all other paper issues of private currency, requires a gold redemption, which breaks banks and embarrasses the Government to obtain the gold. Public money may also require redemption, but it is the borrower or his property, not the Government who redeems it, the same as the National Bank note is now redeemed by the banker who borrows it, thus relieving the Government of the burden of exchanging gold for greenbacks, or any kind of private currency for any other kind of private currency. There can only be two systems of money, public and private. Private money belongs to individuals, to States, countries, municipal corporations, bankers and other private institutions, whereas public money belongs to all the people, and their agent, the Government distributes it according to law, to individuals, to bankers, to farmers, to manufacturers, to States and to every citizen upon demand if accompanied by the required security.

As observed above, no money famine or money panic would be possible with a public money system in operation; there would be no wrangling over the different material that bears about the money stamp. There would be no "dishonest money," no "cheap money," the paper and silver money would be as valuable as the gold coin for all domestic money purposes, all would be honest

money amply secured and of course a full representative of value, made of gold, silver and paper. Gold would be the money "standard," and the value of all money would be "regulated" to that of the standard by the law that creates all money and fixes its value.

Under our present money system all borrowers must rely on private money (there being no other) and if its owners refuse loans, business, the people and the Government must suffer as has been the case the past eight years. But under the within public money system nothing like that could happen, as every borrower who legally applied to a Government bank for money, would surely be supplied at an interest of 3% per annum. No Government bank official could refuse loans.

Public money has been long discussed by able statesmen and demanded by many organized bodies of men such as the "Populists," the "Farmers' Alliance," the "Grangers" some temperance and labor organizations and others, yet it has never been tried at least in these States.

Jefferson, in a letter written to John W. Epps in 1814, said, "The question will be asked and ought to be looked at, 'What is to be the course if loans cannot be obtained?' There is but one —bank paper must be suppressed and the circulating medium must be restored to the nation, to whom it belongs. It is the only fund on which they can rely for loans, it is the only resource which can never fail, and it is an abundant one for every necessary purpose."

I could refer to many other worthies who favored public money the past hundred years, but I forbare, I will observe however, that public money in shape of a bill was before the last two monarchial legislatures of these Islands. It passed the ordeal of four committees, was discussed three and a half days in committee of the whole house. Every motion for indefinite postponement was defeated, all arguments urged against it were answered by its friends, except, I regret to say the last, the *golden* argument, which proved very effective and defeated the bill.

This I believe was the first time a bill for creating public money, was ever earnestly discussed by a legislature either here or in America.

The bill was defeated, and the Government both before and since has been compelled to borrow foreign money for its use, when at that time it had as much authority to make money, as

other Governments had to make the money it borrowed, "The borrower is servant to the lender," so by the defeat of that bill the people of these Islands have shown themselves willing servants to old traditions, rather than assert their independence and have their Government made the money power of these Islands, which it would have been had the principles of that bill been carried into effect. But instead of financial independence, our Island Government has been, and must always be upon its knees, scringing and humbly begging the powers for money and if it gets it, it must be at heavy expense, thus submitting to be a willing servant to the money power, instead of the master as it should have been. The way was clear.

The facts stated in last paragraph is as applicable to the Government and people of the United States as they are to the people of these Islands. They should be as independent financially of other countries and loaners of private money, as they are in their postal matters or any other Government function. Which they can surely be, by enacting the bill above referred to. But a bill for the creating of public money as this would be, will never be enacted by either of the dominant political parties, without a great revolution in the sentiment of the leaders and abettors of those parties.

The Democrats under Mr. Cleveland declared for private money only and less of it, which they indicated by repealing the Sherman Silver Law, as by so doing they deprived the people of $54,000,000 of new money every year since, and this at a time when business and the producing forces of the country were earnestly clamoring for more money. Again, the Democrats under Mr. Cleveland repealed the McKinley Tariff Act, which also proved a blunder. Instead of these blunders restoring prosperity as was promised, they not only injured the business of the country, but crippled the Government, compelling it to borrow $262,000,000 in time of peace to maintain its credit, and pay its running expenses.

The election of Republicans means a continuance of the private money system that has cursed the country every few years since its first formation, with Black Fridays, money famines, and money panics, forcing stagnation of business, depreciation in the value of property, idleness, physical and mental suffering, heartache and suicide.

All know these evils afflict our country every few years, hence

I submit, that wisdom, statemanship, and honest purpose should influence the leaders and manipulators of political parties, to call a halt and take counsel, as to what should be done, to relieve the people and the Government of this periodical affliction which shortsighted man has brought upon himself and the people, and if nothing could be formulated by them after consultation except to continue in the old beaten track, strewn with money famines, lost fortunes, blasted hopes, moans and sighs of misery from half clad, half fed men, women and children and the bones of dead men, women and children who have fallen by the way from this cause of money famine all along the ages. Then I further submit, that a President or Congressman who does not know what laws should be repealed that are working against the prosperity of our country, and what laws should be enacted for the general good, are blind leaders and the country must continue to suffer under such unstatesmanlike leadership in the future, as it has in the past.

Yes, we know the Republican party proposes to restore a high tariff for curing our present evils and thus restore prosperity to the country, but as the 1893 panic took place under the McKinley Tariff which averaged 58%, we can't believe restoring that tariff would restore prosperity or have any different effect than it had in 1893. We have had money panics under both high and low tariff, panics under free and unlimited coinage of gold and silver, panics under bimetallism and panics under an exclusive gold standard. Which is proof, that money famine and money panics never was produced or prevented by any of the above devices, but all money panics to date, have been caused by our system of private money, and reasoning from the past just so long as the United States adheres to its exclusive use of private money, just so long will it be afflicted periodically with money panics. Public money is the only sure preventative, no money panic could originate with public money always available at 3% per annum interest, as then, if public money did not drive all fear of loss from private money owners, the Government could supply every demand as fast as private money should be withdrawn. Thus ample money could always be kept in production and trade channels, and as money panics never occur when there is a full supply of money in circulation, it may readily be seen that it is *public money*,—not free coinage of silver, or high or low tariff—that will

effectually prevent money panics, by supplying plenty of money, an abundance of money, which produces enterprise, prosperity and progress, there is no sort of doubt about that now.

CHAPTER XXXVI.

MONEY MONOPOLY—ITS PRACTICAL EFFECTS, GOVERNMENT BANKING DEPARTMENT.

We hear much in these days about monopolies, and much truth has been written upon the subject. Every reflecting mind must acknowledge that the most powerful monopolies in America are the money institutions of the country.

How comparatively small appears a sugar monopoly of $80,000,000, or an oil monopoly of $100,000,000 or even a railroad monopoly of $500,000,000 of property under its direction, compared to a money monopoly with thousands of million of money under its control. They exert more power for weal or woe, than all other monopolies. We cannot blame them as the laws are framed delegating that power to them. And man's selfishness prompts him to use for his own advancement the powers placed in his hands.

The evils arising from the money famine the past eight years, it is said, entailed a direct loss upon the Government sufficient to build three Pacific Railroads. The Government loss is small in comparison to the $12,000,000,000 loss suffered by the people through depreciation of property values, and other causes during that time, and that is only one of the many losses the country has suffered through the monopoly of private money since its first formation.

The monopoly of the money of a country should not be held by any power less selfish and with less responsibility than the Government, nor should the Government hold such tyrannical power. It should make all the coin and issue all "Bills of Credit," but when a legal demand is made for money at the Government banks the law must be so framed, the borrower cannot be denied. The ability to secure the money and the demand of the borrower should decide all loans. The only question for the bank officer to decide is, *is the demand legal,* if legal, the loan

must be made. The power to loan or withhold money is now held exclusively by owners and manipulators of *private money*. And as there is no other kind of money, when they loan liberally all business flourishes. When they refuse loans, everything goes wrong, except with the owners and manipulators of the money, such times are their richest harvests, and past and present experience demonstrates they are not slow to profit by the power they hold. They have it in their power to bring on a panic as often as they chose by withholding loans, and thus depreciate the value of property and possess themselves of it at a small valuation. Most if not all other monopolies and trusts are producers or distributors of wealth, but the money monopolists never produce wealth they are in a sense parasites, drones in the industrial hive, living on the sweets collected by others, their chief business seems to be to change wealth produced by others into their own possession.

All other monopolies, all enterprises, in fact the prosperity of the country—its whole productive industry as well as the Government quails, and shrinks at the touch of this giant monster —monopoly.

We see the importance and power of money when (if history says truly) men, women and even nations sell themselves body and soul for money.

If Napoleon could have been granted three wishes for assistance in his European wars—his first wish would have been for money, his second money, his third wish more money. The European nations to-day are controlled in both their honorable and dishonorable acts by money. And I am sorry to say the United States is laboring under a similar disgrace. It is warped, swayed, pinched, disgraced and controlled by money.

The money powers are first and occupy the seat of honor; the Government is only a "right hand supporter" an excellent arrangement truly for the money powers. Oh, my countrymen, how long shall this thing be? How long shall we worship the golden calf and bow down to the golden image? Or how long shall we be controlled by this usurper of our rights?

It is our right as a nation to control and not be controlled by money. Arise therefore in your might as intelligent freemen and institute measures to control this golden god whom all the world worships. You have the power, if you will exercise it, to control the money of the nation, and by that means control all

else that is now controlled by the money powers. Your Government will then hold the seat of honor. It will be the head, not the tail. Periodical panics have existed ever since this money power has been delegated and farmed out by the Government and must always exist until the people shall take the matter into their own hands and establish a banking department such as the bill proposes, and loan money to the States, to the Government, and to every one who offers the legal security, and let demand and security alone limit the supply, which must effectually check any money crisis that may arise..

President Grant in his message to Congress thus discourses on money supply and demand. He says: "The experience and judgment of the people can best decide just how much currency is required for the transactions of the business of the country. It is unsafe to leave the settlement of this question longer to the Secretary of the Treasury or to the Executive." No doubt, "Demand for use is the law of volume," and that should settle the question. When there is money enough for all to borrow, and borrowers enough for all to lend, our money system will be as perfect as trade and production should require. When there are borrowers with good security, but no money to borrow, or plenty of money and no borrowers. The money system is wrong and the people suffer. The banking department above mentioned is so perfect it can always lend, and always borrow and suffer no loss. With our money system thus arranged, private or corporate banks of deposit and discount would have the same power to loan money and receive interest as now; but when they wish to call in their loans, but little trouble could arise, as the people's banking department could always supply the deficiency as long as the security held out. Power to control the supply of money, should never be held by individuals over productive industry. The Government through its banking department should alone hold this power. We have numerous workmen, skilled artisans, a large territory and an abundance of natural element wealth with resources sufficient to provide food and clothing for all our own citizens and millions of dollars worth for export, and if this banking department was in operation the Government could be run, railroads built, and all large enterprises carried forward without one dollar of European gold, would it not be so? We only require a cheap and sure representative of our property to enable us to make our exchanges which could easily

be supplied by the banking department above mentioned. Not by making gold and silver the only basis of such currency, it is too scarce and too costly. But by making Government and State bonds, real estate and other property the basis.

Money in some parts is now cheap and the supply ample, yet it is no more abundant now than it was in 1873 and 1893, when the business of the country stagnated for want of money, which could not be obtained for business purposes with the best of security. At those times the timid hoarded, and the banks refused their discounts, consequently wide spread ruin followed, and the extent of the loss and suffering entailed by it will never be known; yet all could have been prevented by a Government banking department with power to lend money upon security, as above stated, and thus kept up the supply of money for legitimate business.

The ruling powers of civilized nations are solely responsible for all the evils arising from the hoarding and monopolizing of money, because by legal enactment they make all the money, but fail to provide against the avaricious desire of man to hoard and monopolize the same, which is as clearly their province and duty as it is to make the money, and thus by wise and judicious laws put it out of the power of any man, or body of men to injure business by hoarding and monopolizing the money, which has been done on an average, every ten years since its first formation. *Public money,* created, owned and loaned by the people through the above named banking department, would be a sovereign remedy, and a just one, to prevent all evils that now originate through hoarding and monopolizing of *private money.*

It will be readily seen that creating public money and administering it through a banking department as above, would add wealth, honor and financial independence to both the people and Government of the United States, and protect them from all money panics and the evils it implies. The Rothschilds, the money kings of Europe, are said to rule with absolute sway some of the principalities, or small kingdoms of Europe, not by superior knowledge and wisdom, not by force of numbers, not by inheritance, legal right or the consent of the governed, but by the power of money. Witness also the English bank with what tyrannical power it rules the commerce or business of Great Britain, stimulating business by a low rate of interest, and checking the business of the whole country by high rates, and this in-

jury is inflicted upon the people of that country from generation to generation. The injury thus done by that bank, is not confined to the British Isles; the United States also feel its power.

Its varying rates of discounts is almost as much a subject of discussion here as there, and the whole business of our country is measurably effected by it; we even see *that bank* dictating terms to our Government respecting financial matters.

Shall it always be thus? After having sundered every political connection must we still be controlled by a few of the money lords of that land in all our vital interests? No, verily no! Let us sever all entangling alliances of currency and finance by establishing the banking department herein advocated and thus settle our money question for all time, by instituting *public money* as an auxiliary to private money and enough of it, to prevent all money famines and money panics, and thus stop all foreign absorption of Government, State and corporation bonds, which in time will prevent all outflow of gold that now goes to pay interest on bonds held abroad. As the banking department could supply the Government all the money Congress would permit it to borrow, and it could loan to every State and every citizen all the money they can legally secure. So from the time this Department is in working order, neither the Government, the States, or the people would have to depend for money, on private money lenders either foreign or domestic.

When this is done, the varying scale of discount of the English Bank would do us no harm, and our Government would soon become the *money power*. It being a Government of the people, by the people, for the people. We do not pretend or claim this banking system perfect, but inasmuch as it contains the power of self perfection, it should surely be tried, as all other banking institutions are not only imperfect, but contains the seed of trouble and dissolution.

Let us look at another weak point in our present system of finance.

Suppose we wish to build a railroad of some importance—we form a company, mature our plans, obtain franchises, from Government, States, counties, etc., get up our bonds, and then perhaps get the Government to guarantee to pay the interest on our bonds, there being no representative of our property in the shape of money in sufficient quantities in America, we send our best man to Europe to sell our bonds, and he does sell them, perhaps at a

large discount; then by manipulation a bill of exchange is obtained and our man starts for home with the means to build our railroad in his pocket, or rather with a permit to use American currency as a representative of our property, to enable us to make our exchanges while building the road and when said permit is presented at the proper place, the greenbacks or other paper currency flow out and our road is built. Gold is yearly sent to Europe to pay the interest on our bonds, and in time the principal is also paid in gold, dollar for dollar according to the face of the bond.

It will be here observed that nothing has been brought into America from Europe to build our road save the piece of paper in our man's pocket. Our engineers and laborers, the territory upon which to build the road, our coal and ore with which to manufacture our rails, locomotives, etc., were here, as well as lumber for ties, bridges, etc. It appears then that after we completed our plans and got our bonds ready, the only thing yet wanted was a representative of our property in the shape of money to enable us to make our exchanges while building the road. After this representative of our property is obtained in Europe, we have still to use American currency to make our exchanges and American workmen and material to build our road.

Is it prudent for us to obligate ourselves to pay a gold or any other interest to Europe for the privilege of using American currency to represent our property? Is it statesmanlike to force such a condition of things upon the enterprise of America? Would it not be equally wise to hire a European to represent us in Congress as to hire European currency to represent our property? All such blundering defects in our national currency would be radically, justly and permanently cured by the operation of this banking department of our Government. Our property could obtain a representative at said department sufficient for all large enterprises as well as for all business.

Surely if our bonds would secure European gold they would be good security for Government bank money. When this money was no longer wanted for business purposes it would return to these Government banks as naturally as water would flow down hill, and the banks could retain it without loss until it was again wanted, thus differing from all other banks in this, one of its fundamental principles.

If this banking department was established, and dark and cloudy days come upon our country, instead of hawking its bonds all over Europe and no sales even at fifty per cent. discount, as was the case during the rebellion, the treasurer could deposit the bonds with the banking department and obtain the money as a loan and pay for its use, only 3% per annum interest. And even that interest would return to the Government from year to year at its quarterly settlement with the banking department, which is provided for in the bill.

No advocate of our present bank currency could say the bonds would not be good security as this mode of loaning and securing currency is now pursued with the so-called National Banks. But the Government receives but little advantage from it now.

The proposed bank currency being made *money,* a full tender, and receivable for duties on imports and debts due the Government, and being truly *national* would be that much better than our present bank currency. Besides the Government would receive 3% per annum interest for all of its outstanding currency, and the interest received by the Government would go into circulation without interest and without security, which will relieve the people of that much burden. As all interest received as banking department earnings, would go into circulation the same as any other Government revenue.

We have in America matter, mind and muscle, and an inventive ingenuity surpassing all other nations in many things, an ample currency, cheap, and always obtainable upon security, would combine all these, and when combined they form the power to produce wealth, whether that be gold, silver, wheat, cotton, corn or any other commodity that enriches a nation. We are at present a nation of borrowers, coaxing, tempting and trying in every way to get hold of European gold, to build our railroads, run our Government, our factories, mines, etc.

CHAPTER XXXVII.

GOLD, GREENBACKS AND PUBLIC MONEY.

One of the duties of Congress, is, "To coin money, regulate the value thereof and of foreign coins and fix the standard of weights and measures." Weights, measures and money are all civilized tools to facilitate the transaction of business, and our present traditions, customs, laws and systems, require all business done with these tools. Tariffs, taxes and labor are paid in money, all values are estimated and measured by money.

Money is the most important of the tools above mentioned, as without it to assist in production, there would be no values to weigh or measure. It was considered so important by the makers of the Constitution, they placed the duty upon Congress of making and supplying it, not by borrowing it from other nations, but by *coining it, and regulating the value thereof.*

A Government upon whom rests the responsibility of supplying this important tool, and requiring all business done with it, should supply it without stint to all who could secure it, the amount being governed by the demand. It cannot be said that Congress has done its money duty to the people, when it has coined some private money and loaned a limited amount to the owners of the so-called National Banks. Why bankers, who are non-producers should be allowed this great privilege, and the producers who have created all of the progressive greatness of the nation be denied, is a mystery and an injustice.

A Government requiring all business, public and private to be valued and measured by money and leaving it altogether to private parties to supply or withhold and at any rate of interest their selfishness dictates, seems too much of an injustice for an intelligent people to submit to, when it is in their power to remedy.

The Government banking system herein advocated removes all financial injustice, and should remove all complaint, as all

would enjoy under that law equal financial privileges, under it our National Bank owners would not be the only Government beneficiaries as now. As all bankers, merchants, manufacturers, farmers and all others who possessed gold or silver bullion, Government or State bonds, or real estate either in the cities or in the country could borrow money at the above banking department for 3% per annum interest.

No one disputes the right and duty of Congress to supply the people of the United States with money sufficient for all productive and legitimate business. The question is, of what material shall the money be made? or rather, upon what kind of material shall the money be stamped? Bullionists claim we must use gold exclusively, as it is the only "honest money."

We ask, is this possible? Have we gold sufficient to form a currency for this country, whose average yearly requirements are many times greater, than the gold coin available for that purpose? While the country is constantly developing and requiring more money, gold is not increasing.

The small supply of gold renders it practically impossible that *it*, alone should ever supply our money requirements, to say nothing of the fact the gold belongs to private owners, who have it in their power to let it be used by the public, or withdraw and hoard it, as most money has been the past eight years, and in consequence. Both the Government and the people have financially suffered. All limited currency is open to like objections, as by withdrawing and hoarding it, may confuse the business of the whole country, and bring on a panic like that of 1873 and 1893.

Silver coin is open to all the objections urged against gold, with the additional one, "silver is too bulky to be an acceptable currency for this country except in small sums."

If California with millions of gold pouring into its coffers every month, complain of the scarcity of coin, what would the complaint be from the whole country if its business was confined to gold coin? The impossibility of making gold the only money for this great American nation, or to make it the exclusive redeemer for all currency required, must be apparent to all without further argument, so we now turn to the *greenback*. The greenback was invented and issued under circumstances of great Government necessity. Gold and silver coin and notes of

private banks had left the channels of trade save on the Pacific Coast, specie payments had been suspended and no money left in circulation, a money panic was eminent, the Government's demands were great and urgent, a civil war was to be provided for, no money could be borrowed by the Government at home or abroad. There was no gold or silver to coin belonging to the Government, so Congress availed itself of its constitutional right, and coined paper into money, founding it upon the credit of the country, and thus produced the greenback, which filled the highest expectations of its friends, by standing in the brunt of battle and of business for 18 years and it became acceptable to the American people as money. With not a dollar of gold or silver in sight the nation prospered as never before.

President Grant says: "The experience of the present (1873) panic has proven, that the currency (greenbacks) of the country based as it is upon the credit of the country, is the best that has ever been devised—the holders of currency hoarded it as they did gold and silver in a former condition of a like nature."

It is regretted the greenback was not made a more perfect currency, and regretted that Congress crippled and curtailed the power of this faithful servant at the instigation of its enemies, by limiting its paying powers, and destroying such a large portion of them, which crippled business and brought on the 1873 panic.

I will stipulate what Congress should have done. When the incipient steps toward making a national currency proved so satisfactory and profitable to both Government and people, as the greenback proved to be, and that it was the "best currency ever devised," Congress instead of destroying it, should have stood against its enemies with a moral backbone as unyielding as the laws of nature in defense of this most faithful of public servants and improved and perfected it. The appellations applied to the greenback by its enemies, such as "rag-money," "shin-plasters," "dishonest money," and other disgraceful expletives, (disgraceful only to the parties using such language) are without argument and void of reason. As the work done with a paper medium of exchange is as honest as that done by a gold medium. Boston, New York, Philadelphia and other eastern cities were built with a paper medium, yet they are as permanent and honestly built as San Francisco that used a gold medium. The warehouses of

the former are filled with as costly and honest goods, their citizens are as well raised and comfortably clothed as those of San Francisco. Our late war was as honestly and effectually fought with the greenback medium as though gold had been used. Where, then, has gold any advantage over a full legal tender paper money, in creating wealth, build cities, exchange values, or improve a country? There is no difference only in convenience what material is used to bear about the money stamp. When convenience is consulted paper *money* holds the first rank. The pieces of leather of the ancient barthagenians, the mulberry bark of the Asiatics, the greenbacks of America, the silver of Nevada, nor the gold of California have the qualifications of money without the sovereign stamp. As the material upon which the stamp is affixed is only the legal agent of the sovereign to express the power of money.

To not perfect so valuable an invention as our present greenback, is unworthy the spirit of progress, no machine, no valuable invention whatever its qualifications, was ever perfect when first given to the public, their inventors did not abandon them, but continued adding to their merits until comparative perfection was attained, so it should have been with our greenback currency. The first effort was good, but the product was imperfect, yet no improvement has ever been attempted, its destruction apparently was only aimed at. The bill herewith submitted is aimed at the improvement of the greenback, or rather the production of a national money, a *public money, produced, owned and loaned by the people*, to the Government, to the States, to corporations, in fact to every citizen who demands a loan and produces the required security, such as Government and State bonds, and bullion at 90% of their gold market value or real estate at one-half of its taxable value, and at an interest not to exceed 3% per annum.

This money would be an improvement on the greenback in that it would be a full tender, and made of gold and silver as well as paper, and the borrower or his property—not the Government redeems it. This money would yield the Government a 3% per annum revenue, the greenback being private money, yields the Government nothing, but vexation and labor to retain gold for its redemption.

The greenback is as much a Shylock money as gold and

silver coin, but Shylock would hold no power over this *public money* to make it yield more than 3%. This bill would make money always available to those who hold the security at about an equitable interest, thus reducing interest to one-half present rates, and the many blessings it will impart to both Government and people cannot all be seen now, but much may be gleaned from these pages. The details of the bill may be improved, but the fundamental principles, the quantity and quality of the money loaned, its flexibility, who makes and distributes it and reaps the profits of the business, can't be much improved.

CHAPTER XXXVIII.

MONEY—ITS PROPER DISTRIBUTION.

The machinery for the proper distribution of money should be a part of the financial machinery necessary for making and supplying the people with money. An adequate amount of money is one thing and distributing it among the people another. Money like water and manure become useful and valuable by being distributed. But few doubt there being an ample supply of money in the country at the present time, but it is hid up in napkins or locked in bank vaults, whose officers say they "dare not lend it until they know the end of our present troubles." Meanwhile the business of the whole country suffers for want of the money now idle in bank vaults. We attribute no wrong to the holder or owners of money to refuse to invest or lend it when they think their interests is best served by so doing. The fault is with Congress in not creating a currency supply and a system of distribution for supplying the people, when private parties and bankers refuse loans, and thus keep business alive and save the country from wreck and ruin. For want of public money and a national system of distribution, producers in some sections of our country pay 15% per annum for the use of money, while other sections pay less than one-third of that sum and National Bank owners get from the Government all the currency they can secure for one per cent. per annum, thus inflicting a manifest injustice upon a large part of our people by making some pay five times as much for the use of money as it is worth invested in the industries, while others get all they want for one per cent. per annum, thus discriminating between citizens.

The importance of a full supply of money and its just and sure distribution, has never been fully considered by our lawmakers, they acted less wisely than organizations of less power. Witness our municipal officers to whom is assigned the duty of supplying the citizens with water—they do not think their duty performed

when they have built the reservoirs and filled them with an ample supply of water for every citizen. But when they have laid down the mains from the reservoirs and distributing pipes to every house, garden and park and filled them with an ample supply, then, only their duty is performed. The inhabitants of a city would be as well or better supplied with water in the reservoirs only, without the distributing pipes, as the people of the United States have been supplied with money the past eight years.

There may have been an ample supply in the *private* money reservoirs, but the people as a rule were not allowed to partake even from them only in exceptional cases and then at heavy cost, in consequence business was hampered and broken up, and loss, suffering and even death resulted, and all for want of a law authorizing a permanent supply of *public money and a just distribution.*

Again the Architect of the Universe when He organized this earth and placed more than a supply of water upon it to sustain all animals and vegetables that could be produced upon it, He knew that without subjecting the water to His law of distribution, the earth would be a barren waste and His work was not pronounced good until He spake and "a mist went up from the earth and watered the whole face of the ground," and because of that law of distribution the earth continues fruitful.

For want of a law creating *public money* and its just distribution, the people of the United States have suffered physically, mentally and financially beyond computing, during their present financial trouble, to say nothing of the losses and misery they have suffered during all the money panics that have afflicted our country since its first formation. *Public money* and its *proper distribution* is the only remedy. As there is no principle potent enough to circulate private money continuously over the country, if its owners refuse. Their refusal in 1837, 1846, 1854, 1873, 1893 and at other times brought on the money famines of those times which tried and proved the weakness of private money systems. The amount of private money does not seem to effect the interest demanded for its use, or its more liberal circulation. As in 1865 when our circulating medium was said to be $2,111,678,684, some borrowers with good security paid 15% interest per annum to my certain knowledge, and when it was reduced

to $1,596,317,187, interest in the same farming district was only 15% per annum and money no more difficult to borrow, but the result of the 15% was the same in both cases. That is, the money loaners become the owners of the farms and their former owners become tenants or sought other homes.

Such results could not happen under a proper regulated system of public money, as then, no citizen would be required to pay more than 3½% per annum for borrowed money, and if borrowed of the Government banks only 3% or less and as long as the interest is paid the principal may remain, whether times be hard or flourishing or money scarce or abundant.

The theory of a Government banking department, such as the bill herein provides, is so perfect in its distributing principle, that if put in practice, the extremes of the country would be all supplied with currency with as much certainty and at the same rate of interest as the great business centers. A poor man could borrow a small sum at the same rate of interest that a rich man could borrow a large sum. Now a private money owner may loan money to a rich man for 5%, but he will demand twice or thrice that sum of a poor man. Now, although our Government is the largest banker known, supplies more capital, lends larger sums of money than any other, yet no producer of wealth whatever his need or security, can borrow money from the Government. Bankers, are the only favored beneficiaries. They can borrow of the Government for 1% per annum.

A currency instituted and distributed as the above bill provides would spread over and bless a country measurably like the beautiful regulation of Nature in its distribution of moisture. The atmosphere takes it up from the great reservoirs—the lakes and oceans, and float it inland distributing it upon mountain and plain, for the benefit of man and beast, creating life and beauty, feeding the fountains and swelling the rivers and lakes on its way back to the reservoirs, when it is again taken up and distributed, and so on while the earth endures. Even so this public money would spread over the country by the distributing agents to bless all avenues of trade and industry, and then flow back through the arteries of commerce to the great business centers, from there the agents of the law distributes it again over the country, there to assist in creating and exchanging wealth and comforts, which flow down, filling the channels of commerce and transportation, building up the cities as well as the country,

filling our ships and spreading unnumbered comforts over the world for the happiness of man.

Interest for this public money under the above bill would be 3 per cent. per annum in New York, 3 per cent. in Florida, 3 per cent. in Texas, 3 per cent. on the Pacific Coast, 3 per cent. in Alaska. In fact, only 3 per cent. in any and all parts of our Union. There could be no discrimination between citizens, none between city and country, none between one locality and another. No discrimination between rich and poor, no exceptions on account of distance, all stands upon a financial equality before the law. If the security is all right the money demanded must be supplied.

Private money never has nor never can be so circulated. The big banks never loan money to small producers, nor to large ones at a distance for the reason partly, the money they have, belong to depositors and if loaned too far away, the money may not be forthcoming when wanted. Again interest for private money is not uniform, it rates from 1 per cent. per annum to 3 per cent. per month. Thus making measures of unequal value, analogous to a rubber yard stick for a cloth measure. It may readily seen how just, perfect and positive money distribution would be under the enactment of the above bill. As then the banking department would loan money for 3% per annum to every citizen who demanded it and furnished the required security. Such as Government and State bonds and bullion at 90% of their gold market value and real estate at half its taxable value.

It is too late to urge constitutional or other objections against the organization of a Government banking department, after the Government having loaned its cash and credit to large corporations—railroads, etc.—and loaned hundreds of millions of money to the so-called National Banks, issued and redeemed large amounts of its own notes (greenbacks and treasury notes). Besides receiving money on deposit and issuing certificates for the same, and doing other banking business through its treasury, all of which should be done by a banking department always open for business during business hours, and at whose counter no citizen that applied for a loan should be refused if he offered the legal security. Such would insure a more *just distribution of money* than can be found now anywhere on the earth, and the profits would belong to the whole people.

CHAPTER XXXIX.

A SYSTEM OF PUBLIC MONEY.

Administered through a banking department.

The "standard" of value of this money to be United States gold coin.

Congress to fix the value of all money, whether it be coin or paper, to that of the standard according to their face value. All to be a full tender, for all tariffs, taxes, debts and dues, both public and private. This money to be distributed through the banking department, by loaning direct to the people, to the States and to the Government upon the securities the law may demand and at an equitable and uniform rate of interest for both large and small sums.

All "public money" whether stamped upon gold, silver or paper to be *redeemed by the borrower,* the same as the National Bank note is now redeemed.

In presenting this system of public money I have in former chapters stated some of the demands for it, provided a bill for its production and arguments in its support in volume, number and soundness not possible to be produced in support of any and all private money systems known.

The difference between private and public money is so marked, and the advantages of public money to the industries and to the Government is so great it is surprising the nations have submitted to the manipulators of private money to force upon them money famine, money panics, business depression and the loss and misery they entail, when public money would have prevented all. Whoever reads this volume upon the blessings and advantages of public money over private will surely see all that is claimed for it.

Something is radically wrong in a country like this, where the Great Father has caused the earth to yield the comforts of life like the "seven plenteous years," yet nakedness and starvation

stalks through the land a scepter of evil omen, spreading misery and death in its wake. Abundance produced for all our people and millions for export. Yet thousands tramp our streets and highways seeking employment, food and shelter—starving in the midst of plenty, because the medium has been hoarded by which alone labor is employed and the necessaries of life distributed.

It seems unwise, even cruel on the part of Congress to suffer production and distribution to be hampered for want of money. As all the wealth of the world and most of its comforts is produced by labor. How important then that labor should be nourished and cherished by the lawmakers of the country. To do this a law only is required to produce public money which would prevent money panics, and produce an ample supply to keep the industries fully employed.

There can be no labor employed without money, no productions without labor. No debts paid or products distributed without money. How important then is a never failing supply of money? And how certain the supply would always be if public money was inaugurated by the enactment of the within bill. Besides our home money supply could not then be interfered with, even should all foreign and home banking institutions conspire against it and private money be hoarded. As public money would be ample for all business and always within reach.

Our present money system is a menace to our business well being, as it is likely to be broken up or seriously injured by one or both of the following causes.

The first is, our money being altogether private, its owners may and do upon slight financial alarm withdraw their money from circulation and thus force business depression and panic upon the people, as has been the case the past eight years.

Second, the money lords of Europe from necessity or design on account of our money system being so closely linked with theirs, and our debts to them being large, and our yearly interest to be paid them so heavy and all gold. They know this, and if by crippling us financially, they can buy such products as they require from us for less money. So if they cannot legitimately draw enough money from us to cripple us, they have only to buy up enough of our paper currency and present it to the banks, or to the United States Treasury for redemption, to make our confusion complete and thus force hard times and cheap prices

upon us. They know as well as we the impossibility of our being able to redeem our paper currency in gold and keep our industries running, with such a meagre supply of gold for our currency basis and currency redemption, if this has never happened, it is humiliating to know the way is and always was open for it to happen. We think a nation is not very independent financially, that is liable at all times to be crippled in its production and business by a few money manipulators at home or abroad.

Under the above public money system nothing of the above could possibly happen, as no coin redemption is required; the borrower or his property redeems all whether it be coin or paper. The withdrawal of private money could not then cripple business, as public money would be in ample supply to take the place of all private money withdrawn.

The basis of this money being gold, silver, real estate, Government and State bonds no complaint could be urged of its insufficient basis. The twelve billion dollars of wealth said to have been wiped out of existence by the money famine the people have been passing through the past eight years, by depreciation of values, idle labor, idle capital and other causes would have been saved had public money been inaugurated in 1888. And should the within bill ever yet be enacted, prosperity would be promptly and permanently restored and the country enabled to recover its billions of lost wealth in much less time than it was losing it.

Our Government, States and people are said to be debtors to the extent of eighteen billion dollars and the yearly interest approximates one billion. It may be readily seen that all the gold and silver in the country, or in fact in the world, is not sufficient to pay this debt, and if it is ever paid it must be paid with products, and as products are only produced by labor, and under our civilization labor is paid for in money. So it would seem the duty of statesmen and all who work for the good of man to exert themselves to inaugurate a system of money that never fails its duty. A fountain of currency that never dries and always in reach of producers, that no check be placed upon production. To do this a public money system must be installed. Nothing else yet known will answer the purpose.

CHAPTER XL.

LAW CAN CREATE VALUE, AND LAW CAN DESTROY VALUE.

Some able Republican speakers during our last presidential campaign made statements that law was incapable of giving value to anything even money. Col. Ingersoll said: "Any man capable of believing that money can be created by law is incapable of reasoning on any subject whatever." Such wild statements as the above cannot be laid by opposite statements, as then the most popular speaker would carry off the prize right or wrong. Such statements must be combatted by reason and facts, and it won't much matter who presents or uses them.

We believe it will be difficult for any speaker to produce a piece of money that had not been made money by some sovereign law. Of course we with others believe money to be a *creature* of law, and cannot be made in any other way, to be money it must be a legal tender. When the Constitution commands Congress to "Coin Money, regulate the value thereof and of foreign Coins." It means Congress must do these things by enactment of law, and that is just how Congress did perform that important duty. Every law of Congress is important and some of them very valuable to the American people, none more so than the law that creates our money. The Constitution makes it the duty of Congress to "coin money, regulate the value thereof," it does not leave the fixing the value of our money to the dead material upon which the money is stamped but upon Congress, who is believed to be endowed with intelligence and reason.

Civilized law holds mortgages of value and courts will enforce their collection in lawful money, when without law they would be valueless as the paper upon which they are written.

The ownership of all real estate in civilized countries are held by paper titles made in pursuance of law.

Revenue and postage stamps are worth their face value in gold coin, made so by law, although made of paper, and not redeemable in gold coin either.

Government bonds are worth their face value in gold. Bonds are made in pursuance of law. They are only paper but they are valuable, good as gold, made so by law.

The first sixty millions of Greenbacks being authorized by law and made a full legal tender for all debts and dues the same as gold coin. They never depreciated a farthing, when gold advanced to 285 as compared to the after issue of the mutilated Greenbacks this full tender issue advanced to 285 the same as gold, for all domestic money purposes.

After the above exhibit of the power of law, can it truthfully be said: "Law can't make money." "Law can't produce value."

We have here sixty million dollars of money made by Congressional law just as good as gold for a home currency, where neither value or money existed before. Behold the power of civilized law to *produce values*.

The law depreciated the after issues of Greenbacks by entering exceptions against them, which deprived them of much usefulness and value which they otherwise would have possessed. Again, behold the power of law to *debase* money and destroy values, as well as to make money and create value!

Even State laws, City corporations and Counties produce values by proceeding according to the law they are organized under. They issue bonds, licenses for merchandizing, liquor selling, lotteries, etc.; that people willingly pay gold coin for which they would not do, if they were not valuable although they are only paper, the law gives them value. Law, not metal makes money. Money is a fiat of sovereignty without regard to intrinsic value. Law, not its material fixes the value of money. —U. S. Constitution.

When considering the above facts, how weak seems the declaration that "law cannot produce value."

CHAPTER XLI.

MONEY PANICS, HARD TIMES, ITS CAUSE AND PREVENTION.

Times are hard, this we all know, as we hear of it, see its effects, and daily feel it to our unavoidable regret.

It would seem from the past history of the civilized world, the cause or causes of money panics, hard times and their prevention should by this time be well understood. As many times during the past centuries the civilized nations have been afflicted by them, and they were always brought on in the United States by a short supply of money in circulation, which was effected by the following and other causes.

1st. Money famines and panics have been caused more than once by a rapid increase of wealth, business and population. This country in its normal condition adds yearly more than one million to its population and near two billions to its wealth and of course should have a corresponding increase of money, to keep pace with its population, wealth and business.

2nd. A sum should be yearly added to our circulating medium to make good the deficiency arising from fire, shipwreck and other losses, including coin exported in excess of gold imports. If these losses are not made good, the country must suffer for want of money.

Tariffs, high or low never produced a money panic. Our people have suffered desolating money panics under both high and low tariffs. Free trade England has suffered from money panics and high protection Germany has been similarly afflicted.

3rd. Law has caused money panics. As in 1873 when in pursuance of law, between one and two billion dollars of Greenbacks and other treasury notes were withdrawn from circulation and destroyed, by which means, the currency of the country was reduced in a few years from fifty-eight dollars per capita, to thirteen dollars, which resulted in the 1873 money panic.

A similar affliction was forced upon England by the law, after its wars with Napoleon, when it returned to "specie payments" by destroying most of its paper currency, which forced upon the people of Britain, one of the worst money afflictions they had ever suffered.

4th. Money constantly retained in Government, State, County, municipal and trust treasuries, and money retained as bank reserves, misers' hoardings, private pockets and elsewhere, that never circulate, have a tendency to make money scarce, and should not be reckoned as money in circulation. So, it may readily be seen how business may suffer when its life blood is constantly decreasing, and population, production and business increasing year by year, and each requiring more money.

5th. The greatest and most prolific of all causes of money panics are private depositors who have more money on deposit than there was money in the country. In 1893, over four billion dollars deposited and only one thousand six hundred million to pay it.

Loss of confidence in the banks and a slight financial alarm impelled depositors to demand the return of their money. They got some of it, but its withdrawal caused the collapse of many banks, and compelled all banks to husband their resources—refuse discounts and demand the return of their loaned money.

The people having their business running, debts to pay and no money obtainable, caused them great distress, physical, mental and financial. Ambition stimulated them to push ahead and endeavor to go on with business without money, which they found impossible, hence the failures brought on by a deficiency of money in business channels. This states of things comes on gradually and spreads and increases day by day, as in Benjamin Harrison's Presidential term, running through 1889, 1890, 1891 and 1892, money yearly getting scarcer and tighter from most of the above numbered causes, and in consequence commercial failures increase year by year as in the years above named when 46,162 commercial failures took place. This was the state of the country, March 4th, 1893, when the Democratic party went into power. It is evident from the above state of facts, the business of the country was resting upon a magazine of dynamite—so to speak—that only required one spark to ignite it, but it got two, one from the Democratic party, when it convened Congress to

repeal the Sherman Silver Law, by which Act the business of the country was deprived of $4,500,000 new money monthly. The second spark was applied by the enemies of the Democratic party howling over "Tariff Reform," as proposed by the Democrats. So the two parties exploded the dynamite and never since the formation of the Government was so much damage done by a financial explosion. The first trembling of the explosion so frightened depositors that a large part of the five million depositors went for their money, and it is said recovered one billion dollars of the four billion they had on deposit and securely hid it. The money thus withdrawn from circulation constituted near two-thirds of all the money of the country, leaving only six hundred million dollars to do the business of the country and supplying bank reserves and the treasury and other hoardings named above.

The explosion of 1893 demolished 16,000 mercantile establishments, 714 banks, about the same number of manufacturing plants shut down, and two million laborers thrown out of employment and their labor lost to the country, and billions of dollars of property disappeared by depreciation in its value. And in consequence many foreclosures have taken place and mortgagors turned from their homes and become tenants, day laborers or tramps, or went to their graves broken hearted or as suicides, preferring death, to seeing loved, ones driven from their homes to suffer.

The above are most of the causes of money panics and hard times, in the United States, and some of their disastrous effects upon the country since 1888, and the end is not yet.

Now comes the question, the pith of the story, the real meat of the nut, viz: What must be done, what *can be done* to prevent another financial explosion and the "Hard times," flowing from it?

This question although of such overtowering importance is quite easy of solution. What would I propose? I propose First, Public Money; second, Public Money; 3rd, And all the time, *Public Money* as demanded in these pages as a full answer, and a complete and sure prevention of money panics, and a just and sure settlement of the money question.

No one could claim a money panic possible if Government Banks were always prepared to loan money upon security for 3% per annum and the principal not to be returned as long as

the borrower preferred to pay the interest. All this money whether it be gold, silver or paper to be redeemed by the borrower or his property, thus relieving the Government from all money redemption burdens.

Having past through several money flurries, money famines, and money panics in the United States, seen their effects upon the people, and having investigated their cause and prevention, I unhesitatingly affirm, with no fear that I can be answered, that a *Public Money*, a money of the people, by the people, for the people, a money created, owned and loaned by the people through their legally authorized agents, would prevent all money panics, and of course save the loss and suffering engendered by them. Private money can never do this. Private money has been our *only* money and money panics has been its legitimate fruit every ten years on an average. Public money administered as set forth in these pages is the only remedy. The further advantages of public money being set forth more fully elsewhere, we will let that suffice.

CHAPTER XLII.

SUSPENSION AND RESUMPTION OF SPECIE PAYMENTS.

How unstatesmanlike and strange it seems for a rich and powerful nation, that from slight financial trouble, specie payments are suspended, gold and silver coin leaves the channels of trade, and to keep business alive, resorts, to the issue of a paper currency, and although none were ever issued upon a correct basis (not even our Greenbacks) they have carried nations through some of their worst difficulties, enabling them to prosecute wars, keep their industries running, and in fact to prosper in some cases as never before, which was the case with Great Britain from 1801 to 1824, and the United States from 1862 to 1873, as imperfect as these currencies were, they performed what could not be done with gold and silver coin, as both nations endeavored to do that but failed. Shall we call it statesmanship, that leads nations into difficulty, out of which they cannot get only by issuing a paper currency? and after they get through, the storm subsides, sunshine and fair weather returns, abandon their true friend (the paper currency) for those cowardly sneaks—gold and silver coin, that always run away and hide in times of trouble.

What would we think of a captain and crew who put to sea in what they considered a staunch and safe vessel, good for all weathers, and it does sail safely along in ordinary times, but by and by a storm threatens, the wind gets stronger, the waves roll high, the storm increases in fury. The wind howls through the rigging, a cyclone is upon them, the ship labors, shows its weakness, its timbers loosen, leaks appear and the only safety for captain and crew is to abandon the fast sinking ship for one more worthy, which they do and gallantly ride out the storm. After fair weather returns, no more danger in sight, the captain

and crew begin to sigh for the old sunken ship, in which they had passed so many pleasant days, and finally after much labor and loss bring the old hulk to the surface, abandon the good ship that carried them safely through the storm, and start on another voyage in the old ship. Would we call such, wise sailors? Would any sane man do so unwise an act, particularly after the old ship had failed him, two, three or more times? Yet civilized nations have returned to their old worthless hulks—specie payments—time and time again, and as often had to take to the safer craft—a paper currency—which carried them through financial cyclones, wars and other national troubles. Returning to specie payments would not be so bad, if it could be done without violence to business, both while being done and after resumption was fairly inaugurated, but this has never yet been done, and we believe it never can be. As the first thing is not only to accumulate gold and silver coin for redemption purposes, but to bond and otherwise reduce the currency (the business life blood of the country), so there will not be so much currency to be redeemed with coin. As this policy is pursued, currency shrinks in amount, business and values correspondingly shrink, and after resumption is inaugurated, there is no more gold and silver in the country than there was before resumption was attempted, but there is much less currency, less business, less property, more poverty and more suffering. Values have shrunken to correspond to the decrease of currency. All values shrink except money. As property decreases in value money increases.

To return to specie payments after a long suspension invariably brings a money panic, business and production shrinks, laborers are idle, merchants fail, farmers are driven from their mortgaged farms, the products of farm and factory are sold at price below cost of production, times are hard and still hardening, business uncertain and feverish, industries depressed, men, women and children suffering for the necessaries of life, mechanics part with their tools for bread, bread riots threatened, money partially gone out of use.

The 1873 money panic was brought on the country by Congress having bound a burden upon the people, by bonding and destroying most of our national money by hundreds of millions, that identical money that had given life and activity to business and carried the country safely, and unprecedently prosperous

through the Civil War, by which act, in striving to get back to specie payment it reduced the currency from $2,111,678,680 in 1865 to about eight hundred millions in 1875, and this later amount was to supply a business territory near twice as large, as the larger amount supplied during the war. Seemingly every act touching our currency either depreciated it in value or decreased it in quantity, which depressed business, hampered enterprise and shrank all values but that of money and of course forced on the 1873 panic.

Should anything else have been expected from such unwonton destruction of our business life blood? (over one thousand three hundred million dollars in three years to make sure of specie resumption when the set time arrives.

Even our railroads toward which public attention is frequently directed on account of strikes and riots, are more sinned against than sinning. As these contraction policies, and keeping money so restricted in amount, checks business and production, consequently curtails railroad business and profits, forced many into bankruptcy, and others into curtailing their expenses to avoid bankrupt courts, which caused most of the unpleasant strikes and riots among railroad employes in past years, as well as idleness, suffering and death among other industries, yea even the bodies of men, woman and children, who were created in the image of God, are made to shrink, wrinkle and suffer, caused by this legal shrinkage and hoarding of business life blood, until cheerfulness has left their countenance and joy and hope their hearts, demorilization and despair sieze upon them, their human natures seem so changed they would as soon brave death trying to avenge their supposed wrongs as to continue to face troubles more annoying than death.

Many enterprising, industrious men of business knowledge, influence and wealth, seeing their property shrink from day to day until all was gone, and creditors unsatisfied and clamorous for more, wives and children reared in luxury, now reduced to want, have sought death by suicide for relief from the dismal sight. Now the unwelcome flash comes from the east to our ears, and enters our hearts while we write, that our soil once consecrated to liberty, has been reddened by the blood of wealth producing citizens that have suffered and been maddened by the

refusal of their oft repeated petitions for remunerative employment.

The flames of the incendiary as in this case, ascends to heaven as witness that the law of nature has been broken by refusing man the privilege of eating bread by the sweat of his brow, and the property and lives now sacrificed on that account seems to come as a partial atonement for a broken law and that still greater wrong and waste of life and property forced upon the country by Congress continuing to adhere so tenaciously to the old system of *private money* which has brought upon the country all the financial evils it has ever suffered. If this cruel private money system and periodical issue and contraction policy with its suspension and resumption of specie payments, is continued, idleness, strikes and tramps must continue to increase, and property values, productions, railroads and other business must periodically continue to decrease. Thus forcing comparatively less employment and less pay for labor, and the next strike of the *employed* may be in combination with the *unemployed* millions in our country now demanding "work, bread or blood."

As public money is the one only sure remedy for most if not all of the above evils, how important then, that it be inaugurated as set forth in these pages, as then there would be no cause or necessity for discussing the question of "currency issue," "currency redemption," "suspension and resumption of specie payments." "Thirty or fifty dollars per capita." As money would be distributed in obedience to the natural law of supply, viz: *Demand for use*, that being the natural law of volume, working under that law, there would never be too much or too little money in circulation.

If we could have a public money system, such as is advocated in these pages, prosperity, plenty and peace, would return to bless our country. *The people would be the money power*, and their agents would hold the keys to the money chests, and always open them whenever a legal demand is made upon them for money. Then "hard times come again no more." On account of our exclusive use of private money.

CHAPTER XLIII.

GOLD STANDARD AND BIMETALLISM.

The gold standard doctrine as now taught and administered is wrong in theory and an outrage in practice, as it confines all production and business to what may be transacted by the limited amount of gold available as money and for gold redemption purposes.

A Government banking department as herein advocated renders possible a gold standard and bimetallism at the same time, and gold and silver coin at a ratio of 16 to 1 and the Government bank note kept on a parity without a gold coin redemption yet it makes ample provision for justly and acceptably redeeming all money circulated by this department.

The administration or circulation of *currency* under our present gold standard theory, is one thing, and the creation and circulation of *money* by virtue of the above named banking department with its gold standard theory, is an entirely different thing. The aim apparently of our present gold standard bearers is to make gold coin our only standard of value and our *only money,* so that silver and paper currency to be acceptable measures of value, must have a gold redemption, which necessarily limits our business and money supply to the amount of gold coin available for business and redemption purposes.

The new theory not only makes gold coin our only standard of value, but also makes silver coin and the above named department note, of the same significance for all domestic money purposes as coined gold made a full tender. This does not limit money to the amount of gold available for business, but it has also all silver and all suitable paper to coin and stamp with legal tender sovereign power, if *demand* requires it. This would be *public money* created and owned by the people and loaned by them through their banking servants upon demand to the Government, to States, to corporations and to individuals upon

securities of unquestioned value, such as Government and State bonds and bullion at 90% of their gold market value, and upon real estate at 50% of its taxable value with interest at 3% per annum, all to be redeemed by the borrower or by his property, the same as the National Bank note is now redeemed, which redeemer it may be seen is ample for the work without committing or embarrassing the Government. Under this system there would be ample money for all purposes and a full redemption for all money at a gold standard value.

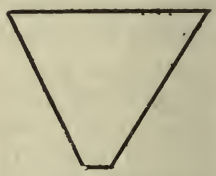
A thing to be noted. If other money under this system is made to do most of the labor now done by gold coin as money, and if other values are made as acceptable redeemers as gold coin now is, then, this fact presents itself, viz: Gold, being thus relieved from much of its present labor, will not be so much in demand, as silver coin and this department note will fill the place of gold coin for all domestic money purposes, all being *public money,* a full tender, an honest representative of value by being secured by specific property for their final redemption. This being all true, gold will cease increasing in value as to many commodities and may recede in value to what it was 35 years ago as to many of life's necessities.

It must not be expected that the blessings arising from a *gold standard bimetallism* and *Government banks* of *savings* can be enjoyed to the full without the inauguration of *public money.* That is money created, owned and loaned by the people. These important results cannot be enjoyed by the *exclusive use* of *private money.* Another thing to note is the fact, that under former *bimetallism, gold standard* and *private money combination,* money flurries and money panic were apparently nourished but seldom if ever prevented, but no one denies the power of *public money to arrest and prevent all money panics.*

To restore bimetallism under our present system of private money would simply increase private money which would only give temporary relief until another financial fright strikes the people, then, all money being private money its owners could hoard it all, as readily and effectively as it has been hoarded the past 9 years and with like dreadful results, the greater quantity would not prevent. Private money is now based on gold, public money would be based upon real estate, Government and State bonds and bullion under the above banking system.

Private money, is money put in circulation by the Government

without security—gold and silver coin, greenbacks and other forms of Treasury notes are private money—hence it is not a representative of value as all money should be. It is not based on anything. The expectation is that all currencies under our private money regime will be maintained on a parity by a promise of a gold exchange and a gold redemption. This promise works until depositors gets a financial fright and demand their money in gold, then the fat is in the fire there is not enough gold to go around and being a coward it sneaks into hiding. And yet it is claimed all our currencies and business is based upon gold, which renders our money system analogous to an inverted pyramid whose apex is many times larger than its base, thus:



Our property, business and money resting upon such an inadequate foundation, is it any wonder that we are so frequently troubled with financial earthquakes that shakes, destroys and fills the heart of man with fear when the tottering structure tumbles down, which it always does in times of money panic, when its gold foundation is extracted and hid away.

Public money resting as it would upon bullion, bonds and real estate by which every penny of it would be secured, would be a solid symmetrical structure whose base would be many times larger than its top, thus:

Showing that when the money of the country rests upon the property of the country as public money surely would, the foundation of business and production would be solid and lasting, and could not be shaken by financial earthquakes.

As above stated, the law authorizing this banking system makes gold coin the standard of all values and all money, whether it be gold and silver coin, or Government bank notes. The value of all are fixed by law to that of the standard.

Under this just law, Government bank notes, coined silver and coined gold, would all act as standard money, as each would pay as much debt, tariff and tax and purchase as much property, and inaugurate permanently bimetallism. This Government banking department, public money and bimetallism as above

would change the financial center of the world from Europe to America. As no nation ever had a banking establishment of such great power and significance as this would have. All the people owning the bank, participating in its profits and keeping gold and silver coin, and paper money on a parity without gold redemption, would be a feat the world has never seen. Yet all money would have an acceptable redemption. Gold, silver and this Government note would be placed on a parity as money: 1st. by Congress declaring them all a full legal tender for all domestic money purposes the same as gold coin now is, and the same as the first $60,000,000 of greenbacks was made equal to gold coin as money.

2nd. They would all be continued on a parity, by being all secured upon, or by such property as Congress may indicate. The same way as the National Bank note is kept at par by security, whether the bank that issues them be alive or dead.

As either of the above ways would be ample to keep all at a parity, and as *public money* would enjoy both advantages, its parity would be self evident, having past the point of argument.

Is it possible that money coined and issued, a *full legal tender, fully secured,* with the credit of *all the people behind it,* could ever be depreciated? Impossible. Money thus created and circulated never was and never can be depreciated, although it be stamped upon silver or paper or other cheap material.

Bimetallism as taught by bimetallists now, means *private money,* money belonging to private parties. Bimetallism under the creation and distribution of this Government banking department, means *public money* belonging to all the people. The production and distribution of public money by the above named department, will tend to check the accumulation of large fortunes by loaning money on usury and interest. This has been the great lever used by money lenders to change property from those who produce it, to their own possession. Millions of the human family have been driven from their home by usury and high rates of interest. No doubt this lever used by the Jews to acquire property without physical labor has caused their expulsion from Russia and other countries.

And the use of that same lever by the Jews of France has aroused the hatred of the French people almost to the point of revolution and bloodshed. They labor not, neither do they spin,

yet they are said to have acquired four-fifths of the personal property of that country by usury, interest, rents, etc.—although their numbers are relatively small—taking the wealth they have acquired from those who produced it, and by means of the wealth thus acquired they command an influence in high places which enables them to shape legislation in their own interest. It is presumed there is no country that uses money that is not afflicted with high interest and usury. How important then to keep peace, prosperity and content in a country is the inauguration of *public money* as above.

If a limited and wisely conducted private bank, makes money for its stockholders, what should be expected from an unlimited banking department of the people, by the people, for the people, but wealth and prosperity?

CHAPTER XLIV.

INTERNATIONAL BIMETALLISM.

"The wholesome and final way to expand the currency, is to establish an international bimetallism. That is, by mutual agreement and co-operation among commercial nations, to allow the free coinage of gold and silver at a fixed ratio of value." We frequently see in substance the above declaration, which intimates a final settlement of the money question by international bimetallism. We fail to see the point. A declaration upon such an important subject to have weight should be accompanied by unimpeachable proof or upon a line of sound reasoning. How our currency could expand by such international agreement is difficult to determine, as all gold and silver metal, whether coined or uncoined are now used internationally at their market value.

It is not claimed that foreign business would be any greater by using this international bimetallic currency, and our supply of money for home use would be but slightly increased as gold is now enjoying free coinage and there is more silver now coined in America than the people want to use as money and most of it the Government has to care for at great expense and issue a certificate for it to be used as money in its stead. If silver is too bulky now for home use only for small transactions, it would be equally objectionable as an international money, besides international money transactions would be too small to effect home business any more than it does now, as money then, would no more be required to settle trade balances than bullion is now which is comparatively a small item, as $\frac{9}{10}$ of all our foreign purchases is settled by interchange of products. So it may be seen it is not *international money* that is required to increase products and render home business permanently remunerative, and the people prosperous, but more *national money* and a better method of distribution is what is required, as our home exchange is said to be above $170,000,000,000 annually, while our

foreign exchange approximately is only $2,000,000,000 and $\frac{2}{10}$ of that is paid with products.

Where the great advantage of international bimetallism comes in we are unable to see, how a million dollars in international coin paid abroad to settle balances, is a going to assist home business, any more than if the debt was paid in bullion as at present, we can't see. If there should be some advantage it would be too small to effect home exchange that reaches $170,000,000,000 yearly.

If the fixed value of the international coin should be greater than their bullion value, it would be an international fiat money, should this be so, why not use the more convenient and less valuable material, paper for international money, as $\frac{8}{10}$ of all civilized money transactions is effected with paper in some shape. If international money is to be limited to available bullion, or to international private money as all national money now is, then we must ever be cursed with a short supply, with money flurries and money panics as at present.

If it is right to have international bimetallism, national bimetallism must also be right, the more so when it can be so readily, effectively and profitably inaugurated as portrayed in these pages and without the co-operation or consent of other nations.

In conclusion let me say to the American people:

If you want national bimetallism, that is, paper and silver money made as valuable as gold for home use as money, and enough of it, elect a Congress that will enact the within bill into a law.

If you want to be the *money power* of the country in place of those who now pose as such, enact the bill.

If you want immunity from money panics that rack and wreck the business of our country every few years, enact the bill.

If you desire to own and enjoy the blessings and the income of the richest, the most powerful and the most important banking institution the world has ever known, enact the bill.

If you desire Government savings banks, enact the bill.

If you want to free the country from the grasp of European and Shylock money lenders, enact the bill.

If you want the most valuable, the most convenient and the surest money known, whose supply is ample and always obtainable upon security at an interest of 3% per annum, enact the

bill. As then your money would be gold and silver coin and Government bank notes, and always on a parity for home use.

If you want *representative money* and redeemable in the value or security it represents, enact the bill.

If you want a money that will always circulate when secured wherever wanted in all this broad land at an equitable rate of interest, enact the bill. As then, if money was idle in a Government bank and a merchant, a manufacturer, banker or farmer should demand it, his demand *must be met*—demand for use being the law of volume—as no money can lay idle in any Government bank when the business of the country is suffering for want of it. So enacting the bill is the only financial salvation for the American people.

Such a system of money, such a banking system as the above bill would authorize, would be of the people, by the people and for the people's use, profit and enjoyment.

CHAPTER XLV.

A SOUND, AMPLE AND FLEXIBLE CURRENCY.

"I am for a sound currency where every dollar is as good as every other dollar," "A stable monetary unit," "Honest money," "A sound, safe, stable currency." "We demand a national currency, safe, sound and flexible, issued by the general Government only, a full legal tender for all debts, public and private, a just, equitable and efficient means of distribution direct to the people."

"It is the duty of the Government to furnish sound, reliable, constitutional money for the people." "A sound, safe currency upon a gold basis." "I think such a currency feasible, and I am of the opinion that it will be brought about." Ex-Secretary Windom said, "The ideal financial system would be one that should furnish just enough of absolutely sound currency to meet the legitimate wants of trade and no more, and that should have enough elasticity of volume to adjust itself to the varying necessities of the people. I know this seems difficult of attainment, but it is substantially possible. Could such a circulating medium be secured the grave commercial disasters which threaten our future might be avoided. * * I am thoroughly convinced that a better method can be devised which will in a large degree place the power of expansion and contraction in the hands of the people themselves." "A system of banks must be organized, none of which can ever be broken, where money can be deposited and have it increase without any fear of loss."

The above quotations from writers and speakers upon the money question is sufficient to convince one how important and comprehensive a money system must be to fill all the demands made above. Well may the Secretary say, "I know this seems difficult of attainment, but it is absolutely possible." Although the demand is so general for a "good, ample, honest currency," every dollar to be worth one hundred cents for home exchange

and *no more*. Yet but few suggestions how it can be done have ever been made, and most of those proposed are for temporary relief only. Here permit me to unhesitatingly affirm that the bill herein, if enacted, would furnish the American people with a money ample in amount and of a quality that would fill every demand made above. The bill has been considered by able lawyers and by other able thoughtful men and they hesitate not in declaring it constitutional and potent enough to fill every demand made above if enacted, and pronounce it, "as perfect in its make up as most bills when first introduced into Congress.

It is evident our present business depression must pass away whether Congress does or does not do anything to restore confidence and business. But if business is restored and prosecuted upon the old method with private money we must expect a recurrence of our present trouble at no distant day, as a few prosperous years and than a collapse into a business depression, money flurries and money panics with all the losses and sufferings they imply. Such has been the chronic condition of our country since its first formation. How important then that a money system should be invented and adopted, by which our country could avoid these periodical trade and money afflictions, and go continuously on a prosperous developing and productive course. Secretary Windom said, "Could such a circulating medium be secured the grave commercial disasters which threaten our future might be avoided."

It is known that the circulating medium has not been secured. Consequently the "grave commercial disasters" predicted by the Secretary have been upon us the past nine years, with a loss to the Government and the people in business and values for the nine years approximating $15,000,000,000 besides misery, suicides, etc.

The Secretary warned us of what would happen if we did not improve our circulating medium, but he proposed no way, formulated no plan to prevent the calamity which he predicted. Now we have in these pages a sure plan to prevent all money disasters of a like nature as the one now ending, but to make it effectual it must be enacted.

The system outlined in the bill above referred to is broad enough, and in every way comprehensive enough, and durable enough, to fill every demand as long as the country endures.

If Congress had empowered the administration nine years ago to loan money to manufacturers, merchants, mine owners, farm-

ers and all other citizens as contemplated by the above bill, our present money panic could not have occurred, and if Congress should now enact the bill the panic would at once be arrested and no more could occur under the working of this system.

The details of the within bill may be improved or amended, but the quality of its money, the party to make and distribute it, the way it must be distributed, and the party who receives the profits of the business *can't be much improved.*

We beg the reader before condemning this money system to answer—to your own mind at least—the arguments in its support, contained in this volume; you will find them more numerous than were ever used in support of any measure ever yet introduced into the Congress of these States, and most likely your would-be objections are all there answered.

CHAPTER XLVI.

SETTLING THE MONEY QUESTION.

A just and permanent settlement of the money question, would be the most important financial question ever settled by man, for the welfare and happiness of our race. The McKinley tariff, the free coinage of silver and gold, the further issue of greenbacks and other treasury notes would be as a drop to the bucket by comparison in its benefits.

A just settlement of the money question would be the freedom of production and trade from the evil effects of our present private Shylock money system, that exacts—according to the last United States census—from 1% per annum to 3% per month interest for the money tool to do business with, which is said to average 7% per annum, which is over 4% per annum greater than that same money would yield invested in the industries, if so invested its yield would be less than 3%. So the saving in interest on our $18,000,000,000 debt, would be over $700,000,000 yearly. Quite an item it must be confessed, to be saved by the *settling of the money question, by inaugurating public money* and an equitable interest as outlined in these pages. The above named indebtedness includes Government, States, county, municipal, corporation and individual debts.

Besides the above interest loss, two million laborers have been idle during the past ten years and three times that number have had their salaries scaled down 15% during the time and $15,000,000,000 is said to have been lost by depreciation of values because the money question was not settled ten years ago, as had it then been settled no money panic could have taken place.

The short supply of money in the channels of trade and production the past ten years, while causing the losses above mentioned, forced 128,000 mercantile establishments into bankrupt courts, scores of million of money lost to depositors by the numerous bank failures, hundreds of manufacturing plants shut

down, and debtors having bound themselves to pay the $700,000,000 interest above referred to when money was more plenty and being unable to pay it when money was not to be had, caused the sacrifice of the mortgaged property, which means to the debtors the loss of their farms, their homes, their living, their all, it means empty stomachs, scant clothing, no shelter or food for self, wife or little ones, but headache, heartache, hopeless despair and frequent suicide.

This kind of loss and suffering has been brought upon the country every few years since its first formation by the manipulation of private money, which could not have happened had the money question been justly settled in those early days.

A system of money that causes or does not prevent money panics with its losses and misery referred to above, never can be relied on to settle the money question. It is evident the question can never be settled by discussing and disputing about the kind of material upon which money may be stamped, as that has been going on for scores of years, with no prospect of a settlement, and the outcry and necessity for its settlement increases in volume as time rolls on. The material upon which money may be stamped, has no principle of money in it until it is stamped, money is *sovereign power,* not gold, silver or paper, they are only the material upon which money may be stamped and exercise its money function.

Well may it be claimed that settling the money question is the *biggest question to be settled.* As the present Government and States debts and a war debt of a few billion dollars added, and four billion added to that for buying and building all long important railroads and the Nicaragua Canal. All of these vast sums could have been twice paid from the losses our Government and people have sustained the past ten years through our present deficient, iron clad *private* money system. The loss occurred, the money value disappeared, yet the debts are not paid nor the much desired improvements acquired. Yet it is a happy thought to know that the adoption of the *public money* system outlined in these pages, no such affliction could again occur. As after the money question is thus settled, money panics would be impossible.

Many attempts and many promises have been made by ambitious partisan politicians to settle the money question, by making

some changes in the material of private money, by adding or eliminating and thus improve by attempts at purifying and purging it was hoped the money question could be settled and still retain our present private money system—vain hope. The measmetic pool of private money never was more corrupt than at the present time.

After this long time trying to settle the money question and no improvement having resulted, and no improvement from that direction yet in sight, we may despair of ever settling the money question through any system of *private money*. So we must turn to *public money* for relief. The enactment by Congress of the within bill would settle the money question by giving us *public money,* plenty of it, all a full tender, and always obtainable at a 3% per annum interest, giving us a gold standard without the consent or assistance of other nations.

The public money system outlined below if inaugurated would settle the question justly and permanently beyond question.

Public money we define as being money *created, owned* and *loaned by the people* through their agent the banking department, to their Government, to the States, to manufacturers, to miners, to farmers, to bankers and other corporations and to individuals upon securities named by Congress, such as Government and State bonds and bullion at 90% of their market value in United States gold coin, and upon real estate at 50% of its taxable value, and at a rate of interest not to exceed 3% per annum. Such would be *public money* and all *redeemable by the borrower or by his property* the same as the note of the National Banks is now redeemed, without burdening the Government.

Under this public money system our whole people would be the money power and the only stockholders—so to speak—of this the richest, most powerful and the most important banking system known. Such a system would be practical, just, efficient, constitutional and complete, it being of the people, by the people, for the people, owning the bank, making and loaning the money and enjoying its net income and other advantages are all of and for the people, the legitimate sovereigns of the United States.

Think what a happy change this would be, heretofore banks were and are owned by the rich only, but this public money bank —the richest and most important of all banks, is to be owned by the poor as well as the rich.

If enough legal tender money consisting of gold and silver coin and paper—the Government bank note—and its value fixed by law to a gold coin standard, and always obtainable upon demand at an interest of 3% per annum and *based* upon *gold* and *silver, bullion, Government and State bonds and real estate,* will not settle the money question, what more is required? Allow me to ask, could a money panic be forced upon a country when enough of the best of money can be obtained always, and at an interest of 3%? Impossible.

The enactment of the within bill as above stated, would settle the money question by inaugurating public money which will free the people from the financial tyranny under which they have labored and suffered these many years. The people of these States requires freedom from financial slavery as much as the Cubans and Philippines do from their political, mental and physical Spanish tyranny, which if taken in time can be honorably effected without bloodshed.

Under this public money system, the people would no more depend upon individuals and private banks for money, than they now are depending upon individuals and express companies to carry their mail matter.

The United States seem destined by Providence, fate or some other power to work out man's freedom either by the sword or by peaceful examples. It first freed itself from British rule by the sword, English political domination, its taxation, its church bigotry and its mental bond were all wiped off the country. South and Central America, Mexico, France and other countries tried to free themselves by the same means, following the example set, and partially succeeded.

Political freedom worked so well in building up the country and its people in the United States, Great Britain learned and profitted by the lesson and wisely granted comparative freedom to most, if not all, of its other colonies and thereby maintained peace with them without the shedding of blood, and it inaugurated many important reforms at home, much of Europe, Russia, Japan and other States have made radical reforms for the freedom of their people. Thus is freedom spreading over the world since America freed itself.

The second bloody struggle the United States undertook for the freedom of man was the emancipation of the Southern

negro. They were freed, but at a great cost of blood and treasure. Now destiny has forced it to draw its sword for freeing the Cubans and the Philippines from their cruel Spanish yoke. This will also be done.

When the colonists threw off the burdens above named that had been imposed upon them by Britain, they retained the English *private money system* under which their Government and its people have suffered untold losses and misery at various times the past hundred years. The past ten years alone, as above stated, the financial loss from depreciation of property values, idleness, etc., is said to be $15,000,000,000, equalling perhaps in value the islands and all the properties of Cuba and the Philippines, and the starvation, sickness, headache, heartache and suicide, caused by it, was greater than existed in all those islands during the ten years. As while the islanders suffered by the hundred thousand the people of the United States suffered by the million, full sixty million of the seventy-five million of Americans suffered more or less, and some of them man for man suffered quite as much as the people of those islands.

The people of those islands suffered starvation and death through the cruelty of a foreign foe. The people of the United States suffered by the inefficient, private Shylock money system.

The thousands that have been driven from their homes in those islands most of them will be permitted to return to them when their persecution ends, but the hundreds of thousands driven from their homes as above in the United States not so much as *one* will ever be permitted to return again to their homes. One is driven from their homes by the Shylock money tyrant, and the other by their cruel Spanish tyrant. Let me ask, which is the most cruel?

The Cubans' afflictions, the destruction of the Maine and other losses have aroused the people of the United States to bloodshed, to free themselves from further loss and insults and the Cubans and Philippines from their foreign tyrants.

But their home tyrant, their invisible enemy that does them so much harm, they feel his power, but being invisible they seemingly pay no attention to him. Although he is more powerful than Spain to harm them, has taken from them more wealth and happiness the past ten years, than Spain can possibly do the next ten, however, vigorously it wages war against them.

It will cost both blood and treasure to free the Cubans and Philippines, but the more important freedom of delivering the people of the United States from their private money autocrat could be effected by simply changing our present *private money* system to the *public money* system advocated in these pages, which would surely settle the money question justly and permanently, and set a worthy example to all people as to how they can peacefully free themselves from this money autocrat who now enslaves them.

If it be the duty of the United States to work out freedom for man it is as much its duty to free them from the private money autocrat as from political tyranny or physical slavery, and under the public money system herein advocated the private money autocrat can be downed without the shedding of blood. It may yet be ascertained that settling the money question as above suggested would impart more comforts and happiness to man than by downing all political tyranny and physical slavery yet remaining. The money question being first settled by the people of the United States must of necessity spread rapidly among surrounding nations imparting freedom and happiness to hundreds of millions of people.

It is not in the power of man to forsee the enormous increase in industrial production, improvements and wealth in these States after the money question is settled by the inauguration of *public money* as above. As then all shipbuilding, all railroad building, all public improvements, all private improvements in town and country, all productions of factories, mines and farms, all merchandising, all employment, in a word all business transacted in all the country from the Atlantic to the Pacific, from Mexico to Canada, would thereafter be done with money *always obtainable* at an interest of 3% per annum or less.

As then if the Government wanted money it could borrow at the people's bank, if the States wanted money they could borrow at the same bank, if corporations or individuals wanted money they could borrow at the same place or of other banks and money lenders as the money could be there obtained at about the same rate per cent. as usury and extravagant interest is dead, being put out of the way by public money. Score one point for public money. Public money being created, owned and loaned by the people all interest derived from it when first put in circulation,

justly belongs to the people, not to autocratic Shylock as would be the case if it was private money. Here we score another victory for public money.

The difference in the business transactions of a great country like the United States between a *partial* supply of money at 7% interest, and an *abundant* supply at 3%, its effect would be enjoyable just to contemplate and say nothing about the saving of $700,000,000 interest annually on the numerous debts referred to above. Would not the great prosperity attending the inauguration of public money in the United States stimulate all people to demand a like financial freedom? As the debt autocrat has been crowned and installed monarch of all the nations and has bound them in bonds of a $20,000,000,000 war debt, and exacts of them a yearly tribute of $800,000,000, and as much or more from their people. These bonds and this tribute has been riveted upon them by the monarch, by and through the manipulation of private money. So far as known there is nothing within the power of man that can honorably and peaceably deliver them from this servitude, save it be the inauguration of *public money*, by it alone can this universal monarch be dethroned, his power curtailed and the nations gradually delivered from debt and tribute.

CHAPTER XLVII.

Public money has been written up quite liberally the past twenty years and the following is the summing up of many of the advantages and blessings that would surely follow the inauguration of *Public Money.*

This Public Money System Demands

That Congress shall adopt a complete, comprehensive domestic money system, by organizing a Government Banking Department, whose officers shall have full control under the laws of Congress, of all coinage and issues of money, its distribution and redemption.

It is Claimed for this System.

1st. With such a banking system, if the people had too little money they could take their securities to the banks and get more, if too much, they could return what they did not want, then business would never suffer for want of money nor the country cursed with a surplus that could not be used.

2nd. No capital would be required to start this banking department save only for buildings and preparations.

3rd. This department would supply money to the industries as freely and at the same rate of interest in times of panic (if panics were possible under this system), as when money was plenty among the people.

4th. United States gold coin being the *standard* of *value* for this department money, and its basis being Government and State bond, bullion and real estate, our currency would be of the highest standard known and rest upon a broad solid basis.

5th. This department would loan a poor man a small sum at the same rate of interest, it would loan a rich man a large sum.

6th. Interest being always the same at this department, its money would be of uniform value, hence a just measure at all times. Investments could be made and enterprises inaugurated, with a surety that money would be obtainable and interest for its use unchanged during its prosecution.

7th. Interest for the use of this department money being 3% would immediately curtail the power of shylock by reducing interest to about that figure in all parts of the country, rendering usury laws useless and usury impossible.

8th. The currency of this department being all secured by specific property as well as Government credit up to its full face value, which the Government by law and stamp say it is worth, and just what the Government must receive it for, for all dues, taxes, revenues and deposits and of course before any part could depreciate it would be returned to the Government at its face value.

9th. The value of this public money being fixed by law to a United States gold coin standard and the borrower or his property—not the Government—redeems all the same as the National Bank note is now redeemed.

Then no bank reserves or National Treasury hoardings at great expense for redemption purposes would be required.

10th. Money circulated by this department in pursuance of law could be exchanged for gold coin, in any bank or broker office in this nation, upon the same terms that gold coin could be exchanged for silver coin or paper money. Thus making all our money practically interchangeable upon the same conditions.

11th. This department would supply *Public Money* always equal to, but never in excess of our actual requirements, made of gold, silver and paper, all of *one standard value* and uniform purchasing power.

12th. The Government, States, railroads, etc., having securities that would draw gold from Europe, could always be supplied with money by this department at a comparative low rate of interest. Thus would be stopped that flow of gold that now goes to pay interest and brokerage on foreign loans.

13th. This department loaning for 3% and receiving on deposit for 2½%, could always loan and receive on deposit without loss.

14th. The net income of this department would pay our nation's debt without assistance of revenues from other sources.

15th. This department could lend the States money enough to pay their present debts as they become due at one-half the interest they now pay.

16th. This department would yield the Government a net revenue variously estimated from $40,000,000 to $200,000,000 annually, and it would save the business community a much larger sum, by relieving them of one-half the interest they now pay for the use of money, say approximately $800,000,000 yearly.

17th. No foreign banks or corners, by combination of capital, could ever effect the solvency of this banking department. It would have one sphere in which it *must act* and that would be independent of all the world outside of the Government that created it.

18th. No money panic could ever afflict the country with money supplied to the industries by this department.

19th. This banking department would change the Government from being one of the largest borrowers, to that of the largest money lender in the world. It would be the financial backbone of the Government, and the most important money power on earth.

20th. The money circulated by this department would be self redeeming, revenue producing, and representative money, national in its true sense; and would circulate readily in all parts of the country. The "gold rings" nor the specific contract act of California could not prevent its circulation even there.

21st. The establishing of this banking system and its distribution of *public money* would mark a new era in Government finance and currency and make the change in the money system of this country so much required. The past and present money systems of this country being wrong in principle, has and always must produce trouble in practice, and no patching or propping by Legislative enactment can ever remedy their defects.

22nd. With the supply of money ample, and distribution certain, interest low and uniform, many enterprises and improvements—railroads, factories, mines, farms, ships, etc., could be built, opened, operated and improved, which cannot be done under our present money system with its uncertain supply and its high and varying rate of interest. But under the invigorating effect of this department money, the mill and shop, the forge and farm would constantly echo the music of industry, giving remunerative labor to millions of honest, idle hands to do.

23rd. A "run" upon these banks would make money plenty and the banks rich. The more money legally drawn from them the richer they would become.

24th. By establishing this department Congress will have performed its whole constitutional money duty. As this department would supply amply all the money requirements of this great nation for all time, never too much or too little, and at an equitable rate of interest.

25th. *As demand for use is the natural law of volumes.* The loaning of this money would be upon *demand only,* which must settle justly the amount of money required for the nation's use.

26th. This department would greatly simplify the business of the National Treasury department, and remove much of the labor and anxiety of the treasurer, by relieving him of bond negotiation, currency redemption and other labors for supplying the Treasury and maintaining the credit of the Government and his quarterly settlement with the so-called National Banks would entirely cease, and only the quarterly settlement with the parent bank of this department substituted.

27th. This department could lend the Government all the money that Congress would give it authority to borrow and thus obviate the necessity of the Government going abroad to borrow, and of any further foreign absorption of Government bonds.

28th. If this department was organized according to the proposed plan, it would possess the principle of self perfection. Thus differing from all private banking systems, all of which contain the seeds of their own dissolution.

29th. This department could supply the maximum and minimum money requirements of this great nation without loss or embarrassment to itself or to the community.

30th. This department would make the finances of the country *so healthy,* there would be money enough for all to borrow, and borrowers enough for all to lend. No individual, bank, or corporation would be compelled to hold over large sums of money for which they had no use, all could find customers. No stagnation possible in the circulation of this money.

31st. If this department was established according to the proposed plan, its money would be good for all time. Thus saving the expense to the country of the yearly discussion of the

money question by Congress and remove the great solicitude felt by the business community at such time, lest some change should be made in the currency whereby their business would be unfavorably effected.

32nd. The officers of this department could report daily just how much money is required daily to do the business of the whole country and comparatively with as much certainty as a barometer tells the state of the atmosphere, or the thermometer its heat.

33rd. The organization of this department would settle justly the perplexing question as to whether the people preferred paper, silver or gold for their money, or a portion of each, and if the latter, how much of each, what they reject they will carry back to the Government.

34th. This department would spread public money over the country, so justly and so effectually, that the extremes of our country would be supplied with money at the same rate of interest as the great business centers and with the same certainty of supply.

35th. The improvements that could be made with the net income of this department would add wealth to the nation beyond computing.

We will add by way of explanation that it is proposed in order to avoid high freights and fares, railroad monopoly, railroad strikes and riots in future, that all railroads and telegraphs that are of sufficient length to be of national importance, should be bought or built with the interest fund of this department and owned and operated by Government for the general good.

36th. This department money would increase and decrease in quantity to conform to industrial demand, never a surplus nor a deficiency.

37th. This public money whether made of gold, silver or paper being distributed to the extent of the nation's need, would add more wealth producing power to the nation than so many dollars of private gold.

38th. All other departments of our Government are expensive and mostly maintained from the Public Treasury. This department would not only pay its own way, but produce millions annually for Government use.

39th. Another great blessing would flow from the wise work-

ings of this department, viz: States, counties, cities, corporations, debtors of all kinds, that are now only able to pay the interest on their indebtedness, could then borrow money for much less interest than they now pay, and the difference could be set apart as a sinking fund to pay their debts. Thus in course of time, all could release themselves of debt and all their creditors be *honestly paid*.

40th. If this department was organized according to this theory no party in power could possibly use its influence to perpetuate their official life.

41st. This department would cause an accumulation of gold in this country, by removing many of the causes for which gold is now sent abroad.

42nd. If the Government was the only issuer of notes, all loss from fires, shipwrecks and other causes, would insure to the benefit of our whole people, to whom the profit belongs.

43rd. If this department was in operation, no limited, inflated, irredeemable, illegal tender currency, that is constantly fluctuating in value, and so rigged, that it will neither increase nor diminish to conform to the demands of business, would ever again curse this country.

44th. With this department, no more "strengthening acts," or "demonetizing acts," for the benefit of bondholders and other creditors, or "resumption acts," to rob labor and fill the land with want and misery would be necessary.

45th. This banking department would be the people's bank and national in its true sense. It would benefit the monied man by enabling him to loan safely all his money, it would be the poor man's savings bank where he could deposit his small savings and have it increase without fear of loss. It would enable him to borrow a small sum of money at the same rate of interest as a rich man could borrow a large sum, thus extending equal money rights to every citizen.

46th. If this department was in working order, then, no more foreign national debt, or high and varying rate of interest for the use of money would again afflict this country.

47th. With this banking system in operation the interest for the use of money and the net income of the industries would and should, approximate the same.

48th. This department would place the people first, financial-

ly, the Government second and the money monopolist as their auxiliaries. Now the money power is first, and the Government and the people are its auxiliaries.

49th. The people under the workings of this department would be the *money power* which must check the growing antagonism now existing against the present money power, thus ending all fears of the horrors of a French revolution being forced upon the country by the existing growing antagonism. The rights of the people would be respected and labor receive its just dues.

50th. This department would take out of circulation all objectionable currency leaving only the unobjectionable to circulate among the people. Thus reversing that old currency law, which our present money system forces upon the people, viz: "Inferior currency always drives out the better."

51st. In justice to the industrial arm of this nation this banking department is demanded, that every citizen may enjoy equal legal money privileges. Now, bankers only are permitted to borrow money from the Government, and after loaning a few hundred million of cash and credit to the so-called National Banks, and railroad corporations, no reason seems potent enough, to justify Congress in refusing to lend also to the laboring arm of the nation, seeing that it produces all our wealth and progressive greatness.

52nd. This banking system differs from all other banking systems in these States in two important particulars not above mentioned, viz: *none of these banks can ever be broken* and their net income would go into circulation without security and without interest. No money can be drawn from these banks not even by the Government only upon security prescribed by Congress, except the net income which is passed over to the United States Treasurer at every quarterly settlement the Treasurer has with the parent bank officers and to be used by him as the law directs.

53rd. Under this money system Government could take out of circulation all greenbacks and other Treasury notes without decreasing the money supply, or having to provide gold for exchanging them or for their final redemption.

54th. This department would extract the teeth of the "gold standard" tiger which would not only render him harmless but make him a willing servant, a blessing to man.

55th. Had this system been working nine years ago, when our present money affliction first began to be felt, the fourteen billion of wealth that disappeared during those years on account of the money famine, would have been saved as well as the misery the people suffered on account of it, as there could be no money panic under this system.

56th. Under this system bimetallism and the gold standard could be inaugurated and maintained, without a permit, or assistance from Europe, and gold, silver and paper money kept on a parity without a gold redemption.

57th. Under this system, Government could borrow from the people all the money Congress would permit it to borrow without having to employ expensive syndicates to do the negotiating, and the interest would be paid to the people's bank.

Congress having delegated its own constitutional power, and the people's sovereign right, to individuals and corporations to issue currency and enjoy the profits thereof: and they having issued it in times past in a reckless manner, without system or justifiable responsibility and the country having suffered *so* much the past hundred years with the old time private currency with its deficient supply, its usurious and variable rate of interest, its panics, suspensions and resumptions, it would now seem wise and statesmenlike to *try once* a money system founded exclusively upon constitutional powers and common honesty and no longer take it for granted that their money duty has been performed to the country when it has supplied the National Banks with currency at 1% per annum.

The constitutional money plan never having been tried, but few if any of the numerous and *truly great* advantages numbered above have ever been enjoyed by the people or their Government, but if it ever is adopted they must surely enjoy the full measure of the blessings above numbered, and no doubt scores of others not yet seen that practice would reveal.

CHAPTER XLVIII.

EVILS REMOVED BY THE BILL.

1st. A currency that is constantly fluctuating in value, and so rigid it can neither be increased nor diminished to conform to the demand of production and trade are evils of magnitude and would be removed by the enactment of this bill.

2nd. Money that cannot be circulated or so scarce the business of the country cannot be done with it, are also momentous evils to be completely cured by the issue of *public* money as demanded by the foregoing bill.

3rd. Congress failing to supply the people and their Government with money adequate for all business purposes and thus forcing the Government and at times the people, into foreign countries to obtain money for domestic use, which it had full power to supply, fails of an important and confided duty. Which must be confessed not only an evil, but a criminal shirking of a commanded duty.

4th. Money panics, foreign national debt, usurious and varying rates of interest for the use of money, are *great* evils—burdens upon the American people, from which public money only can deliver them.

5th. Private banks of issue, of savings and deposit, that are frequently broken, thus creating distrust, loss and suffering among the people. From which evils the Government banking department provided for in the bill, would permanently relieve them, as these banks are banks of issue, of loaning, of redemption and deposit and not so much as one of them could ever be broken.

6th. Government loaning currency to National Bank owners for 1% per annum, and refusing to loan to all other citizens at any price, is working for the classes against the masses, and is a national evil, an outrage against the people, a disgrace to American statesmanship, which would all be corrected by the enactment

of the foregoing bill which accords equal financial privileges to every citizen.

The National Banking department of our Government as illustrated in these pages will cure all the evils and confer all the blessings numbered above.

The people of the United States in their Government cooperation are one people, and have an absolute sovereign control over the money supply, and are entitled to share the profits thereof.

We believe the critical reader will decide the above points well taken, both the blessings and the evils, and sustained both by the theory and the arguments. We further believe Congress will find more reasons to justify it in establishing this banking department, than was ever produced to justify the establishing of any other department of our Government not positively so directed in the Constitution. Every blessing conferred as above numbered, and every evil prevented as above stated are so many arguments in favor of its establishment.

We believe more arguments have been produced in urging the enactment of this bill than was ever produced in support of any bill ever yet introduced into the Congress of the United States. We honestly believe more arguments are already produced in favor of this *public money system* than ever was, or ever can be produced in favor of any and all *private money systems* known.

If some of the able defenders of our present money system would sum up its advantages as we have summed up the advantages of this public money system, a contrast thus made would be serviceable for reference.

The reader will observe that many of the points claimed are as easily demonstrated as a simple problem of arithmetic, and all must admit if those things *can* be *done* by *law,* they *should* be; and the pall now thrown over the palsied business of our country lifted and life thereby infused into it.

The people of the United States have suffered the inconvenience and loss from our present and past private money system, with its local specie payments, and its suspension of specie payments, its blessings and its panics a full century, and all must admit that system a failure—if a system it can be called—and any return to it, or the continuance of it would be unwise,

now that a *public money system* has been produced so perfect that no *argument can hold against it.*

By asking for this currency we are not asking for treasures of gold and silver, houses and land, these we will produce by our labor and skill. We wish this currency only for convenience in measuring and exchanging our products when produced, and its direct profits to pay our National and State debts and make and buy internal improvements, railroads, telegraphs, etc.

The world having suffered so much in times past with the old time currency, with its deficient supply, its imperfect circulation, its usurious and varying rate of interest, its suspensions, panics and resumptions, it would now seem wise statesmanship to try once a money system founded upon constitutional powers and the natural law of common honesty, and we believe the above bill contains every ingredient for the purpose and at the same time has not so much as *one* objectionable feature.

We believe the system contains every principle worth preserving that can be found among all the private money systems known with none of their defects. If one doubts this let him chose his favorite system, and jot down every advantage he may see in it, and then compare them with this system and if he don't find them all here numbered and scores besides, what remains will be comparatively insignificant.

CHAPTER XLIX.

GOVERNMENT OWNERSHIP OF RAILROADS AND TELEGRAPHS.

We are told "there are 54 governments that own their railways, 98 that own their telegraphs and 25 own their savings banks * * * In Sweden, New Zealand and Germany the telephone is public property and rents as low as $10 a year."

In Australia the Government owns the railroads. It only costs a person $6.50 to ride 1,000 miles there, commutation rates for local service are still lower.

A workman can ride to and from his work, a distance of six miles, for two cents a trip; 12 miles for 4 cents; 18 miles for 6 cents; 24 miles for 8 cents; 30 miles for 10 cents. Yearly tickets, good for 30-mile trips, are sold for $17.40. And yet low as these rates seem to be, we are fully assured that there is a fair profit in the business.

I will not multiply references to prove the blessings enjoyed by people living in countries where its Government own and operates the railroads and telegraphs, but will proceed at once to the more important question to us, as to the advantages accruing to us if our Government owned and operated the railroads and telegraphs.

The growing antagonism between the people and the railroad corporations, coupled with the strikes and riots of railroad employes are portentious evils fearful to contemplate and of such magnitude they are difficult to grasp. A foretaste of these evils were felt a few years ago by Pennsylvania, Illinois, California and elsewhere. None of which would have occurred had the roads belonged to the people instead of private corporations.

Fancy if you please what may happen in the near future if present methods are continued, with the evils or fancied evils complained of multiplying until they become unbearable, then a combination is formed for resistance and destruction, extending

over the whole country and as direful in its effect comparatively as it was at Pittsburg, Chicago, California and other places a few years ago. Not a wheel would be allowed to turn. Road beds would be destroyed, bridges burned, tunnels blown up, destruction and blood on every hand. Imagine if you can, the result to the great cities if no food and other necessary supplies were allowed to reach them by rail for weeks and perhaps months. Fancy also the result to the country districts where many kinds of food products must spoil if not transported promptly to consumers. These destructive agencies are not enemies to railroads as such, but they are down on the corporations whom they look upon as enemies and know no way to reach and punish only by destroying their property. None of this prospective evil will ever afflict this country if the people hasten and possess themselves of all the long and important railroads. Objectors assert "The Constitution gives Congress no power to build internal improvements or to organize a Transportation Department." We reason, if Congress in its agency has the right and does grant franchises, bonds, public lands, etc.; to a few individuals to build railroads, it certainly has the right to permit these privileges to be exercised by the whole people to buy or build and operate for their own use and profit, the system of roads here outlined.

CHAPTER L.

FREIGHTS AND FARES.

The freight and fare question engrosses much of the attention of law-makers and most thinking men in the United States at the present time. And it is of great interest to all, and especially to the farmers who supply a large portion of the freight.

We will endeavor to point out the necessity of a radical change being made in the ownership and manner of raising means to construct all our more important railroads before we can expect to realize any material reduction in freights and fares. That necessity arises partially from the following facts:

First. Our present roads are too crooked for *national highways* that are intended as connecting links between the extreme points of our country. It is true natural obstacles have deflected them in some instances, but more frequently they are turned aside for local traffic, or to obtain *franchises* from States, Counties, Cities, etc. The railroad improvements of the United States at the present time may be likened to one of our frontier settlers that commenced his settlement in his young days with only his wife, and future prospects to encourage him; but with strong muscles, a willing heart and a determined purpose, and from necessity he builds his first cabin. As time rolls on his property accumulates and family increases and from necessity an addition is made to his cabin. Again and again his necessities demand the second, third and perhaps fourth addition to his house. By the time these additions are all made some of his family may have grown to be young men and young women, and himself a man of wealth and influence among his neighbors now settled around him. Suddenly himself, wife and children have discovered their house "unfit to live in." It is poorly ventilated, inconvenient and unshapely—the rooms dark and altogether unsuited to their present necessities; and no further improvement can be made to the ill shaped mass that will give comfort to its occupants. And the

determination is perhaps reluctantly taken to construct an entirely new house suited to their present needs and social standing—which they accordingly build.

So it is with the United States and her present railroad improvements. Her people were truly frontier settlers in America, and local necessity suggested the building of the first railroad. As the country improved in population and wealth, local necessity added the second, third and fourth roads, etc. And almost all the roads yet built are local in character, and of necessity local interests have drawn them hither and thither zigzaging across the country. Individually, or as a whole our present roads are good for local traffic, but do not approach to the dignity or character to justify their being called *national highways,* and are no more creditable nor suitable to our nation's present wants than the aged settler's first cabin with its various additions was adapted to his present wants. As a nation then, ought we not to act wisely also, by constructing *highways* suited to the present limits, population, dignity and business of the country, and no longer depend wholly upon private enterprise for our post and military roads, that now zigzag through the country to catch or acommodate the local business and the *franchise?* Our present roads present upon the map of our country an appearance of a spider's web—having an objective point but traveling in many directions before reaching it; running latitude and longitude like a vessel beating up against a head wind, or the turning of square corners in a city to reach a point that lies between—traveling many miles but making little headway. And the most costly and objectionable part of the business is, the patrons of the road have to pay freight and passage for every mile traveled, whether it be towards or from his destination.

Second. They cost too much to construct, and are too expensive to patronize after they are constructed, only to a limited extent, as the untold millions of tons of materials, (ore, coals, farm produce, &c.) now lying within reach of present roads fully attest; most of which would reach a market if our present freight rates were reduced to one-third, or even one-half present prices. Our present roads are made costly by being too long, and built mostly with the proceeds of bonds sold at large discount, yet the full face of the bonds is charged up against the roads construction account. They are also constructed in a costly manner by "Contract and Finance Co.'s," "Credit Mobiliers," &c., as well as

many unavoidable obstacles under existing circumstances. So that roads costing only $30,000 or $40,000 per mile in honest expenditure are rated at twice as much, and these latter figures are the ones the patrons of the roads have to pay interest upon for all time, and these latter figures are the ones upon which the arguments are based and brought to bear upon courts and legislative committees to convince them that the present prices of freights and fares barely yield legal interest upon the capital invested.

Third. Our present roads are built and operated for the benefit of the few and against the interests of the many. It happens sometimes that men of small means but with large scheming energy build railroads successfully, and by the time the roads are ready for operation all of the more important officers of the road are rich. Their riches under those circumstances must be and are recorded as a part of the cost of the road. Hence high freights and fares must be charged to pay interest on capital stock invested in the railroad and the private fortunes of its principal officers. Roads constructed thus across a country with the proceeds of bonds sold at 50 or 75 per cent. of their face value, and then operated upon a liberal, if not an expensive scale, and tax the business of the road, not only to pay for expenses, repairs, &c., but to pay 7 per cent. interest upon bonds sold at 50 per cent. discount, and in addition pay stockholders a large dividend on the investment; at the same time accumulate a reserve fund for emergencies, and a sinking fund to pay the bonds when due, &c. When this is understood we will cease to wonder why freights and fares are oppressively high upon all railroads thus built. Can the productive enterprise of the United States stand such drains and still prosper? Will the wealth produced by the labor of the nation pay its way to market over long roads thus built and operated, and still remunerate the producer? We think not.

The above reasons justify me in saying that a great necessity exists for a change in our system of railroad building and a change of ownership of long and important roads. And if that change would reduce freights and fares one-third or one-half from present rates, it would be another *strong reason* why the change should be made.

This being the age particularly distinguished for co-operation, for large enterprises, &c., and inasmuch as the construction of

the railroads in the system pointed out below, is the largest enterprise of internal improvement ever undertaken, therefore, the whole people of these United States shall form one company to buy, build, possess, and operate for the benefit of the whole people all railroads that are of sufficient length to be of national importance. In fact they must construct a *system* of *national highways* that will be an honor to our nation, a blessing to our people and adapted to the improvement of our whole territory.

We do not claim perfection for these plans, only as to *ownership,* and *manner* of *creating,* the *means* to build them. But *when* and *where* they shall be built, can be best decided by the combined judgment of the American people after their focal eye of intelligent thought is directed upon the subject. But for the purpose of eliciting discussion we suggest four or more national grand trunk roads of not less than four tracks each, be built and operated by the people, extending from the Pacific to the Atlantic ocean, and the Gulf of Mexico; and to be known as the Northern Pacific, Central Pacific, Southern Pacific and Texas Pacific National Highway. The Texas road should connect with the Gulf coast through one of the ports of Texas, and the Southern road should connect with the Atlantic coast through one of the Southern States' ports, &c. To complete the system, highways crossing the country from south to north should also be built at intervals of from 200 to 500 miles distant from each other; built so as to conform to the lay of the country, its valleys and mountains, rivers, and as its business would seem to demand. One should be constructed from the Texas Pacific in California and running north through the great valleys of the San Joaquin and Sacramento and on through the State of Oregon into Washington Territory until it intercepted the North Pacific Trunk Road in the latter Territory. A second road should be built starting from the Texas Pacific in the Territory of Arizona and running north through the Territories of Arizona and Utah and intersect the North Pacific in the Territory of Idaho; and so on until the whole territory of the United States should be accommodated with Grand National Trunk Roads at intervals of from 200 to 500 miles, conforming to the lay of the country, its population and business.

These improvements may take generations to complete, so it will take generations to accumulate the means to build them, and generations may pass away before they will all be wanted,

but they can be commenced next year, and the first that should be constructed is a double track of the Central National Highway; leaving the bay of San Francisco and taking the most direct feasible route to the Atlantic sea-board; visit the great cities if possible, but make no important crook in order to do so. As these roads would in all probability become the *highway of nations* as well as a national highway, regard must be had in constructing these roads to straight lines and light grades—turn neither to the right nor to the left, save to avoid obstacles too great to overcome. Put them in the right place, looking to future development when our territory shall contain a population of 500,000,000 souls. Literally "exalt the valleys, make the crooked places straight, and the rough places plain."

Said highways would be a credit to the nation and a protection and convenience—military and post roads, as well as for general traffic; thus showing to the crowned heads of the world how a country can be controlled and improved by intelligent freemen—making a good example for other nations to pattern after.

These Grand Trunk Roads having no bondholders, requiring interest, nor stockholders requiring dividends, nor sinking funds for bond redemption, could transport freights at unheard of low rates.

A letter from Mr. Albert Fink of the Louisville, Nashville and Great Southern Railroad, an engineer of high reputation, says of the cost of carrying freight upon a double track road: "I estimate that the cost of transporting one ton per mile could be reduced to two and one-half mills, and one-half mill additional for interest on the investment."

Assuming the above figures correct these national roads could transport freight from the bay of San Francisco to New York harbor for $10 per ton, and from San Diego on the Texas Pacific to a Texan port on the Gulf of Mexico for about one-half of that sum, and of course at corresponding low rates of freights and fares on all of these national roads.

Perhaps the first question and the one of the most importance to be answered in connection with this subject is, where is the money to come from to build such a gigantic system of National Highways?

The question as to where the vast sums of money are to come from to build such a gigantic system of National Highways as the one imperfectly described above, has been fully answered in these

pages which constitutes the people, the *money power* of the country, in connection with this question, I will only outline a little upon the theory of national finance to briefly answer the above question.

It will be remembered the money system outlined in these pages constitutes the people the *money power* of the country, they would then create, own and loan money through their agent, their banking department, and pass over its net income to the United States Treasury at every quarterly settlement, amounting as is believed to one hundred million dollars yearly, which if set apart for the purpose would enable a big work to be yearly done towards buying or building this system of proposed roads. Besides with this system of money the whole country would be continuously prosperous and the present rate of tariffs and taxes under those conditions would yield the Government many millions of dollars annually, which it would not require for current expenses. Which could also be used for this, or some other public improvement. This much could be done yearly without incurring any debt, but should this not be enough for any one year, the people could loan the Government any sum that Congress should authorize the Government to borrow by creating the bonds to be deposited for securing the money.

The blessing derived, from the law, that would authorize this financial theory does not stop here. It would regulate effectually the currency of the nation with a dignity and a certainty of issue and redemption that neither the currency of this country nor that of any other ever yet enjoyed. It would at *once* bring *gold, silver, greenbacks,* and this *new currency* to *one measure of value only,* and keep them so. Further, it would so justly and effectually distribute the currency over the country that citizens of Florida or Washington or any other extreme of the country, could obtain the use of money at the same rate of interest as citizens of New York.

Twenty years ago we had the pleasure of submitting these plans (both the finance system and the railroad system) to an intelligent committee appointed by a large body of representative citizens to look into these plans and report, which they did, although they were entire strangers to us. They made a unanimous report, that the system of roads should be built; that the finance system provided ample means to pay the State debts, the National debt, construct this system of railroads, a ship canal across the isthmus, &c.; that it would regulate and distri-

bute the currency as stated above, and restore the industries of the nation to prosperity, &c. And so says every man that has fully digested the theory.

We have shown: That to cheapen freights and fares to any considerable extent upon railroads in this country, a radical change must be made in obtaining means to build them, and also a partial change of ownership. Second: We have pointed out some of the changes that should be made in ownership, and how the means should be raised to construct the railroads of the entire system proposed to be built by and for the people. We will now point out some of the advantages accruing direct to both the Government and people should those changes be made as suggested: First—as a measure of sound statesmanship; because it is only by constant intercourse, business and social, that the sparsely settled extremes of the country can be bound in common interests with the older and more thickly settled portions, and it is sound policy and wise foresight to promote the most intimate relations with all sections of our common country, which this system would surely and safely reach. This necessity has already been recognized by the Government in its grants of bonds and lands to the Union and Central and Kansas Pacific roads, and of lands to other trans-continental roads, under the belief that they could and would be built without further Government aid. But they cannot be built by individual capital, and the responsibility still rests upon the Government to complete all the projected Pacific roads as she has those already built, and under this system all would be built without grants of land or bonds issued to private companies. Second—As a means of national defense; because it is the duty of the Government to construct post and military roads, so that troops and supplies and information can be promptly and cheaply transported to any point threatened with invasion from without or insurrection within. Third—As a local military necessity; because the experience of the nation on the Central, Union and Kansas Pacific roads has proven that the roads and telegraph, and the facilities thereby provided furnish the only sure means of intercepting and quieting hostile Indians, and unmistakably indicate the adoption of this same method to prevent constant depredations in western Texas, New Mexico and Arizona and elsewhere, making life and property secure, and establish there the same law and order that prevail along the present Pacific line. Fourth—As a measure of

practical economy; because, as already shown by experience of the Pacific roads, the expense of maintaining a military establishment for the protection of all the territory against Indian depredations, Mexican and other bandits, will be largely reduced by enabling the Government to transport troops and supplies at one-sixth of what it would cost upon railroads built and run under our present system, thus saving many millions of dollars per annum, and at the same time provide more efficiently and economically for the care and maintenance of the Indian tribes under the espoinage of the Government. Fifth—As a commercial necessity to the whole people, many of which are deprived, at the present time, of even the advantages of the present roads. It will be a direct saving to the whole people of the country by reducing freights *from three cents to three mills per mile per ton* on all *National Highways*. Perhaps present prices could be obtained for the great through traffic with India, China, Japan, Australia, Western America, Mexico and Canada. Said roads would be the highways of nations as well as national highways, and some of them, no doubt, would become international to a limited extent. For other nations, by adopting this theory of National Finance, could also build railroads without oppressing their people with taxes for that purpose, and they, no doubt, would extend some of our roads far into the British possessions on the north, and others would be extended south through Mexico and the States of Central America into South America, one branch running down through those rich countries bordering the Pacific Ocean, and another branch through those countries bordering the Atlantic Ocean, thus binding together the whole American continent by grand arteries for international traffic. This system being first developed by and centering in the United States of North America, the entire nation would be greatly benefitted, and in this way the people of the United States would be effectually protected against the present growing power of railroad monopolies, and save the necessity of any further grants of lands, bonds or money to private corporations for railroad purposes, the Government making all her roads open highways such as the people have a right to demand.

Sixth—It is the duty of the Government to commence this system of railroad building immediately, because the communication thus established with the rich and productive states of old Mexico and other surrounding countries, would secure a large

portion of the lucrative traffic now diverted to other countries, and would thereby increase the revenue of the Government, while at the same time the connections made with lines projecting from the capital of Mexico to its northern borders, would stimulate and develop this trade, and extend it into all parts of this country upon those cheap national highways, and enrich the citizens of this country by the exchange of our manufactured goods and products of our soil, for those of her soil and mines, and the same may be claimed with all other civilized countries, provided these highways were constructed so that the interchange of products from their extreme borders with the interior of our own country, could be made at one-tenth, or even one-fifth the present fare rates.

Seventh—The Government should construct these roads, because it is her duty to protect the citizens whose guardianship it assumes under treaty obligations in the accumulation of Mexican and other territories in which they were residents, and also all citizens who have been induced to settle on the frontier to better their conditions and develop the country, thereby subjecting themselves to hardships and dangers, of which railroads would relieve them.

Eighth—These roads should be constructed as a prudential measure, to avoid an approaching conflict between railroad monopolies and the people. The people very justly complain that although near $200,000,000 has been taken from them for railroad purposes, *their Government owns no road,* and their gifts and their Government have empowered the companies that have received these bequests with the privilege of *taxing them* and their posterity forever with high freights and fares, so as to enable the companies to pay interest on bonds and dividends to stockholders, and accumulate a sinking fund, neither of which would have to be paid if their Government owned the road after paying for them. Not only would these roads be a means of defense, by strengthening the military arm of the Government and bind our country together, but they would act as great arteries of trade to the whole country, and the expenditure of $50,000,000 to $100,000,000 annually in building them, would, by the demand for manufactures and productions of every description, including iron, steel, timber and other material needed in the contruction of engines, cars, bridges, machinery, buildings,

etc., for the use of the road, and of laborers employed in building and maintaining the same, give employment to the furnaces, mills and machine-shops of the country, and thereby once more revive and stimulate the depressed industries of all sections, which must thereafter flourish for generations to come.

Ninth—To secure to the people and Government these several advantages, and in addition thereto secure the return to the people of the millions of acres of land heretofore granted to construct roads yet unbuilt, it seems not only *the right,* but the *duty of the people* to build these national highways, as it will give to all sections their share of the advantages resulting therefrom, and not only revive the now depressed industries, but after this transportation department was once fully up to its work, none of the productions of the United States would have to pay corporation freight charges on any local road a greater distance than two hundred or three hundred miles, before it would reach one of these national roads where it would roll on its way to market, almost as cheap as though said road were a great navigable river, open for the use of all the people.

Tenth—Telegraph lines necessarily constructed for the use of these roads, and operated upon the same cheap principle for the benefit of the people, could send messages anywhere over these lines for *three cents* each.

Eleventh—Large towns and cities would naturally grow up at the intersection of some of these national highways as manufacturing and trade centres, because of the convenience for cheap and rapid importing and exporting, afforded by these roads. Towns would more likely be built up under this system of ownership and cheap freights, than if the same roads were owned and operated by private companies. As millions of tons of freight from farms, factories and mines would find their way to market over these roads at a profit, which would not pay its way to market over them at corporation prices, hence its value is lost to the world as well as the business of handling it.

The organization of the banking department of our Government substantially, as pointed out in these pages upon that subject, and for the purposes therein mentioned, and the organization and active work of this proposed *transportation department* would mark a new era in the world's history of railroad building. Not only would this system of roads be constructed at the rate of

over one thousand miles per annum, but the great facilities afforded by the banking department in furnishing a cheap and abundant supply of money to build roads, and the comparatively short distance necessary to build roads even from the centre of these squares in order to reach one of these national roads, would instill new life into private enterprise in railroad building. No doubt hundreds, or even thousands of roads would be run out from mines, towns, cities, districts, etc., to tap these roads, which never would be built if only private roads with their high freight rates could be reached. And this transportation department would not only sustain itself when once built, but it would assist other departments of our Government by carrying mails, armies, munitions of war, etc., as well as cheapen freight for the benefit of the whole people. So it would lift heavy burdens from both Government and people, thus differing from many other departments which derive their support direct from the treasury—the people's pockets. This system of national highways is not only to cheapen freights and fares, improve all sections of our country, destroy railroad monopolies, etc., but to insure the building of all *long important roads,* that never have been, and perhaps never would be built without Government aid; and leave the squares of territory surrounded by these highways to be improved by private enterprise. Many of these squares would equal in size the British Isles, and extensive railroad systems like those of Britain could be developed thereon—roads as extensive as "the Colossal System of the Northeastern Railway," "the London and Great Western," "the Midland," "the Great Northern," etc., of England. Hence, if this system should be adopted, no complaint need arise that private enterprise would have nowhere to exert itself in building railroads, as they would have an undeveloped territory to work upon, of which the British Isles would hardly make the fortieth part.

CHAPTER LI.

TAXATION.

Freights and Fares.

There are now said to be six railroad magnates in the United States that by a few moment's chat can levy a tax of two hundred million dollars upon the commerce of this country and do it according to law by raising freight charges two cents per cental.

Such a power is truly dangerous to rest in the hands of six men. It is a taxation without representation and of such great magnitude in both principle and its power over commerce and production, that the "Tea tax" or the oppression of the Colonies by the British Parliament sinks into insignificance by comparison. This power of taxation should rest only with the sovereign people.

The National and State legislatures—the people's representatives, exercise the powers of taxation with great caution even when demanded for the *people's good.* But the tax levied by these railroad magnates are diametrically opposed to the interests of the people in their commercial business and in their industrial production.

This great and growing power granted to and exercised by railroad magnates and National Bank owners, would certainly justify the people to repossess themselves with plenary power over all forms of taxation, whether it be direct taxation, tariffs, exorbitant freights, or unjust interest for the use of money, all of which are forms of taxation that take money from the pockets of the people. We think ourselves a progressive people—a leading nation, yet some other nations with less pretentions, (Prussia, Austria, etc.), have already solved the railroad question by Government ownership, and pronounce it a great success, while *we* continue disputing and quarreling, even to riots, strikes and bloodshed, over the question, and go on granting franchises, money and concessions of our sovereign rights and thus bind

ourselves with more and heavier chains, instead of throwing off those now upon us.

So the only remedy for extravagant freights and fares, railroad strikes and riots that clearly presents itself is Government ownership of all long and important roads.

Eminent engineers inform us that freights can be carried on double track roads honestly built, at a cost of two and one-half mills per mile per ton, and one-half mill for interest on the investment. Such a reduction, or a reduction from present rates, to double those figures would be worth aiming at and contending for and such reduction should satisfy the most radical freight rate reformer. It would be a greater reduction than has ever been contemplated or proposed in any agitation of the question, yet it is both practicable and possible if undertaken and prosecuted as contemplated in these pages. Ten dollars would pay for transporting a ton of freight from San Francisco to New York upon a road thus built and operated, now three or four times that sum is demanded. Such a reduction of freights and fares would be pleasurably and profitably felt by all our industries and travelers, and it is clearly within the reach of the American people. It seems to be the duty of the farmers and other producers who are the most deeply interested as they supply 90 per cent. of the freights to demand these improvements and force its accomplishment by their votes.

There is no other way possible to solve this question save by Government ownership. In that case the plaster would be as large as the wound. The continual granting the sovereign rights of the people to corporations, may yet absorb the balance of the rights of the American citizen as it now does a great part and the sovereign rights of American citizens be entirely ignored. Taxing the people, making the law by controlling Congress and the State legislatures will be all in the power of corporations.

All taxation whether it comes direct or by exorbitant freight charges, or usurious interest the right to assess should never be given up by the American people, and in cases where it has passed from them they should loose no time in repossessing themselves of it, as all taxes come from their pockets and should be invested for their benefit. As this is claimed to be a Government of the people, by the people, and for the people; not a Government of the people, by the people and *solely for corporations.*

To cure the evils of corporate monopoly we must first, find what the evils are. Second, find the precise remedy for those evils. Third, find a way of applying the remedy. Corporate use of sovereign power against the best interests of the people by National Banks and railroad corporations, are the evils complained of, and their cure here aimed at.

Government ownership of all long railroads would be a plaster sufficiently large and potent enough to cure the evils of railroad combinations, exorbitant freight charges, and most of the railroad strikes and riots. Four or five Great National Highways (Post and military roads) crossing the country, East and West, and five or six crossing North and South owned by the Government and operated by and for the people must effectually destroy and prevent any important railroad combinations in America for all time to come. Although the thirty or more squares of territory laying between these National Highways would supply ample room for the expenditure of energy and money in private railroad building as such squares of territory would average larger than the Island of Great Britain.

If some peaceful means are not adopted to abate the growing evil and railroad owners continue to combine and increase in numbers, wealth and power. It will not require the inspiration of a prophet nor the foresight of a statesman to see that a time of riot, destruction and bloodshed must come already a murmur, deep-toned and wide spread is heard in the land as significant of coming events as that existing against slavery before the late war and as slavery went down in suffering and blood, so private ownership of all long important railroads must cease by peaceful means or blood. The above plan is a practical way of solving this problem by peaceful means. Franchises granted by the Government are a part of the people's sovereign power and therefore cannot be safely and absolutely alienated from them.

The exercise of the people's sovereign rights by corporate banks in issuing public currency must of right also cease. The Government banking department elaborated in these pages would effectually solve the *moncy qucstion* and supply the means to buy or build the system of railroads outlined above, without cursing the people with debt.

A transportation department owned and operated by the

people, for the people, as the Post Office is now operated, would confer untold blessings upon the people.

Perhaps there is no department of our Government that renders such cheap and efficient service or one that has been so much improved the past thirty years, or one that renders such signal service to such a large number of our citizen as our Post Office department. And yet efficiency and cheapness are the watchword for that department and much improvement is yet looked for. This is a department organized to serve the people and if any improvement in the science of human intercourse is discovered it must eventually be adopted. The telegraph is one such improvement and belongs of right to that department and must eventually be a part of it. Our Postmaster-Generals are supposed to be chosen on account of their enterprising, spirit, quick to observe and adopt improvements, making the postal services of to-day cheaper, simpler, swifter and better than they were yesterday, and all enjoy and appreciate the service. Bear in mind this valuable and much blessed department, is not operated by express companies or individuals only for the benefit of selfish man. But it is a department owned by the people and operated by the people, for the people.

The above shows what great blessings may be enjoyed by the people when they do their own business and not farm it out to corporations, which are sure to render them poor service at great expense, because they work only for their own benefit. The blessings flowing to the people from the banking department elaborated in these pages would be many fold greater than they now enjoy from their Post Office department. They could operate it at less expense and it would yield them millions of revenue, and supply them the tool (money) by which all their earthly comforts are produced at one-third the cost they now pay for the same, and even this one-third cost is paid to themselves and must so much reduce their taxes. All business is done with this tool even our Post Office department and all Government departments are rendered efficient by the use of this tool.

The transportation department owned and operated by and for the people, would be another forward step by the people for their own benefit, greater blessings would flow to them from it than is now enjoyed by them from any other department of their Government. Production however abundant amounts to but little

to producer or consumer if the produce cannot reach the consumer which frequently happens when freight charges consume the whole value of the freight. Thus discouraging producers stopping shippers, and depriving consumers of cheap food and other necessaries in the great cities. It is essential for healthy prosperity that products can be sold at a profit, to the producer. It is also essential for the people that the fuel that warms them and turns their factories, the food that keep up a healthy flow of blood in their veins, the clothing that protects them and hides their nakedness, should be brought to them cheaply, quickly without hindrances from exorbitant freight charges, strikes and riots, which would never happen if the people done their own freighting. Here would come in the great economic blessings to the people by their doing their own business. By organizing a department where its benefits are general.

CHAPTER LII.

CONCLUSION.

When money first came into use it was intended to be simply a token of value, whereby men could exchange with each other the products of their industry. By the machinations of the money changers instead of the *symbol* it has become the *object* of exchange and the power of money has increased until it has absorbed the product of all industries and enabled its manipulaters to compel the masses to go on producing while they are permitted to reap from their labors only so much as will maintain their bodily existence. The heavy hand of currency capital rests as a pall upon the heads of the producers, and the people see the absorption by syndicates, trusts and capitalists, of all that the secular world regards as most valuable.

The firm grasp of this giant, holds the average man down to the treadmill, where his weary round from day to day brings wealth to the giant, and only bread to the toiler, however profitable may be the grist of the mill, capital stands by to absorb it, and the dreary routine goes on.

This slavery of currency manipulation, is entirely unnecessary the means of emancipation are in the hands of the people.

Americans arise and assert your independence, throw off this yoke of ages, be ye the masters, not slaves to money, relegate money to its legitimate place, as a token of exchange, crush the hydra-headed monster who has made it the object of life, and furnish to all who have products or labor, the means of making them available for the best uses and purposes of man, make a symbol which shall give to the toiler of muscle, and the toiler of brain, a safe and a cheap means of retaining a fair share of the wealth which is the result of his labors. See to it that your servants in office are men who will guard your interests and protect your rights. Then, when agriculture, manufacturers and commerce unincumbered by the grasp of the money manipula-

tors shall cause the land to flow with milk and honey, when the yoke shall fall from the industries and the use of money as a servant or a symbol shall replace its worship as a God, then will be seen the glorious spectacle of a nation of toilers with strong hands, fertile brains, and willing hearts, laboring for the conversion of nature's stores for the best service of humanity.

The coming centuries will look back with admiration to the time when a people who had for ages been under the harrow of false money system, arose in their might and cast off the hand of the oppressor, and with the blessings of the civilized world upon them and with joy and happiness in their tread march forward a new nation, redeemed, regenerated and disenthralled.

By the adoption of this money system the people will then be the master and money the servant. Thus reversing the present order, where all productive industry, and all productive labor, whether by brain or brawn is servant to money.

The adoption of this system would render possible many other desirable improvements, among which would be Government ownership of all telegraphs and railroads that are of sufficient length to be of national importance, without saddling the American people with a burdensome debt. And the question which is often derisively asked, where are you going to get the money to purchase these billions of property? will cease as a question, for no one who has read and digested the contents of this book will fail to see where the money will come from.

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THE AUTHOR AT 31 YEARS OF AGE.

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PREFACE TO PERSONAL HISTORY.

The following item was part of the testimony given by a young Hawaiian, who had been sent abroad, educated and brought back at the expense of the Government, which he had joined, with a party, to destroy, when being tried for his treasonable act stated under oath, "I was sent abroad, educated, returned and set down on the streets of Honolulu a pauper."

After reading the above testimony, I felt sad, as I could realize the hopeless out-look, the heart-sinking of a man thus viewing himself in his youth, being possessed at the same time with the wealth of youth, health, strength and education, those particular qualifications that should, if coupled with energy and honesty, make a man more valuable to his country than his physical weight in gold.

There was plenty of work, but he did not want work at the salary offered and hoped to do better by overturning the Government.

No doubt as Horace Greeley said, "The darkest hour in the history of any young man is when he sits down to study how to get money without honestly earning it," which appeared to be this young man's situation.

I thought when reading the above testimony of trying to counteract this feeling of hopeless despondency in some young men, by pointing to the acts of some noted Americans and other foreigners, who arose to distinction, and who were no better endowed when starting in life's battle than this young man confesses himself to have been; but never as yet having tried to counteract such hopeless despondency, I will now attempt it in the way indicated; but as few can ever expect to reach the pinacle of fame as statesmen, that Gladstone, Webster, Lincoln and others of that class have reached, or the eminence that Napoleon, Grant, Sherman and others attained as soldiers, or as Astor, Rothchilds, Vanderbilt, Gould and others attained as money getters. As it seems unwise to point to such as these for young men

to pattern after, as it required opportunities as well as sterling qualities to raise men to such eminence, I conclude to refer to another and more numerous class of successful men who raised themselves by shear force of brain, brawn and honest industry from poverty to wealth and influence. To this, almost any ordinary American boy with health and industry may attain by pursuing a studious, diligent, honest and straightforward course. In looking around for an example to point to and not being satisfied as to whom to refer to by name, although I knew many, one suggested "take yourself you know more about him than any one else." So after some reflection I said "all right," so I pen this.

THE STRUGGLES AND TRIUMPHS OF A BUSY LIFE.

I was born on a New Jersey farm in Monmouth County, June 15th, 1821, where I continued to live until the end of my 21st year, when I was expected to shift for myself without money and with but little business experience. I had good health, was industrious and ambitious, which impelled me to strive to be the best workman on the farm, to run faster, jump further, be the best ball-player, and always strove to be at the head of my class at school, (did not always succeed, but was awarded a premium by my teacher for "trying harder to learn than any scholar in school").

My star of hope arose early and promised me many things and time to acquire them. My early hopes have been more than realized, I never thought myself a pauper, but fully realized that I must rely upon myself and the "Great Father" for success, that I must take my chances among thirty million others, and await my opportunity.

Industry, honesty and good judgment was to be my guide star, for success. I found them always in demand wherever I went, as I had never thought of success coming to me from any other source, it never did. After becoming my own boss, which all young men were supposed to be in New Jersey at the age of 21, and looking around and nothing better presenting itself, I hired to a farmer to work during the summer and fall, for nine dollars per month and board and washing. In the winter I taught a district school. Thus passed my twenty-second

year, as happy a year as has ever fallen to my lot to enjoy. I was just as content working for thirty-five cents per day, as I was in after years, when my time for overseeing my business netted me thirty dollars per day, or when my net income exceeded thirty thousand dollars per year.

Not seeing in New Jersey such opportunities as my heart craved, I went west prospecting in the spring of my twenty-third year, as far as Iowa, on the Mississippi river, returned in the fall and taught school again in the winter, went west again the following spring, returned early and again taught school. Nothing in the west seemed to suit, plenty of land, corn worth from seven to ten cents per bushel, a full grown ox, ten dollars, and other things there produced proportionally cheap.

Many of the travelers and people living along the river, were shaking with the ague, farmer's living on bacon and "corn dodgers;" no flouring mill within forty miles of where I stopped in Illinois and Iowa, no money except what was left by travelers and immigrants, this soon left, being sent East by merchants to pay for supplies, business was mostly done by barter.

So having no inclination to settle there I returned East as before stated, and in January, 1846, I married a neighbor's daughter, she is yet with me hale and hearty, daily superintending her household, her flowers, shrubs and lawn, and has proved a worthy help-meet for a pioneer, and now being surrounded by husband, children and grandchildren, she seems to enjoy life. We left my father's house next morning after marriage on what I may be permitted to call our wedding tour, for California, by the way of New York, Cape Horn, Juan Fernandez Island and the Sandwich Islands, having previously engaged passage on an emigrant ship, bound for that far off and almost unknown region, where we arrived in about six months, which, with the eighteen thousand miles traveled, renders this both in time and distance a rather uncommon wedding tour.

Our journey was rather prosperous and upon the whole pleasant, although we encountered a severe storm, as we approached the Gulf stream, another in the latitude of Chili in the Pacific Ocean, and a three days' calm as we approached California in July.

War was raging in California when we arrived there between Mexico and the United States. The upper part of the territory

was already in possession of the United States forces, which we were pleased to hear, and the lower part soon followed. Some of our company volunteered and went down with Col. Fremont, to help finish up the work, all of the male members of our company took turns standing guard for about one month in what is now San Francisco.

The number of inhabitants of Yerba Buena (now San Francisco) when we arrived there, was said to be forty, our company of 168 persons made an addition to their number of about 400 per cent.

After this digression, I will proceed. A small unproductive village like Yerba Buena, was no place for an ambitious farmer, and as farming was my profession and I had brought some farming tools with me, I was anxious to get to work. So after about thirty days, James Light and myself with our families left the town to fill a contract we had made with Dr. John Marsh, to put in a crop of wheat on shares, on his ranch situated on the lower San Joaquin. We succeeded in getting in some 40 acres, which grew finely, as the land was good, and the rains were early and abundant that year. We used one span of oxen at a time, Mr. Light led them by a rope, while walking, at the same time scattered the seed wheat in the bottom of the last furrow, I held the plow and urged forward the team. The grain was covered about four inches deep.

There being no further service for us at the Doctor's after the wheat was sown, Mr. Light returned to town and in March 1847 I moved over to the Mission de San Jose, about thirty miles distant, where I found farming prospects more favorable, and in its vicinity my large farming operations were afterwards prosecuted. Upon my arrival at the Mission I plowed in the Mission field and elsewhere, planted and sowed wheat, barley, peas, potatoes and made a nice garden planted with different kinds of truck. All of this sowing and planting was destroyed by grasshoppers, an affliction from which I never after suffered, although I farmed in that neighborhood thirty odd years. Later in the season I planted some late potatoes, they grew nicely; but before they matured, they were destroyed by cattle.

The wheat sown at the Doctor's was harvested and stored in his granary, but when we called for our share the Doctor gravely informed us: "You have no wheat here, your share was de-

stroyed by elk, antelope and other wild animals, my share alone was harvested." So we got nothing for our labor. Thus ended my first year's farming in California. Although I got no dollars out of it, I did get experience, which I profited by in after years. I had tested the soil in different places with several different kinds of farm products, and learned the most suitable seasons for sowing and planting.

I supported myself from the proceeds of a small dairy, which I worked on shares for the owner, and from the labor I performed for others.

Nearby I rented a piece of land from an Indian, and built a small house upon it and moved into it in the Spring of 1848, with a determination of making another farming venture that year.

There being no fences or fence material for miles, I went to the Redwoods twenty-five miles distant, for fence material, I made a pen to hold animals, fenced a small garden plot and sowed it with various kinds of garden seed, intending to transplant them into the open ground later on, but human plans not being infallible, the plants were never transplanted, for the reason, that gold was discovered about this time, and, taking the gold fever, which broke out with epidemic violence, and took nearly all the people (ourselves included) off to the mines. We did not get much gold, but we got the argue without much exertion, and did considerable shaking. The gold fever having left us entirely, we returned home in the fall and in the healthy coast climate, the argue soon left us. We were a happy couple when we got back to the farm, although our garden was destroyed, our hogs had gone wild, our house was only walls, roof and outer and inner doors made of rough slabs, hung with raw hide hinges, our windows were muslin and we had "ground for the floor;" but it was our mansion, we enjoyed and improved it as time rolled on.

There were two rooms in the house and a chimney went up from the division wall which accommodated a fire place in each room.

One dark, blustry, rainy night a company of Indians (bucks and squaws) had got caught from home in the storm, and knocked at our door for shelter, we welcomed them in, and let them occupy the outer room during the night.

No, we did not fear them more than we should so many chil-

dren, we knew only one or two of them, but that with the happy indications of the rest of the company, on admittance convinced us, all was well. We closed, but did not fasten the door between us.

During the night an ox with long wide spreading horns, with others of his race, was getting what comfort they could by sheltering themselves on the lee side of our house, there being no trees, no rocks, no fences or anything else behind which they could get for shelter; but this particular ox not being able to get close enough to the wall on account of his long horns, stood with the side of his head at the window, and by slipping his horn through between the wall of the house and the muslin window into the house a foot or two, he could then stand close to the wall and thus be better sheltered. We could not see him nor he us, but we gently felt of his horn; and did not molest him, as we were pleased to know, that even dumb animals as well as Indians could get comfort from our surroundings.

We had had our experiences in the mines and had bid them farewell forever, fully determined, if we could not die without going to the mines to do it, we would not die at all.

Our first born was now about one year old. Thus ended our second year's experience in California, and with but small accumulations.

My mind of course turned to the farm, farming was my profession. I had a good piece of land, was living on it, and my experience gave me confidence in the soil and, as if the fates had decreed it, farm I must, and farm I did. My farm had no wood or timber upon it, fencing could only be obtained at the Redwoods, twenty-five miles distant. My 1847 experience had taught me that no success could be attained without fencing the land, as cattle and horses existed on the plains by thousands and on account of the water and green feed on and around my farm, made it their stamping ground, in the fall of the year. So I prepared seed with a determination of fencing, and farming all I could fence during the planting season of 1849, and on the 10th of March, I started for the Redwoods to make rails and posts for my intended fence; taking with me three Indians (the best help I could get), four yoke of oxen, our tools and one wagon. Night overtook us about ten miles from our destination, where we camped, and during the night an unusual and unexpected

snow fell completely covering the ground from the bay shore to the top of the mountains.

The grass being completely hidden by the snow, from the horses and cattle, the latter came out of the hills, walked around through the valley bellowing and seeking food, but fortunately in two days the grass began to show on the plain, and in a few days longer, all was right again in the hills where we had to work. We kept ahead and reached camp in the woods before the next night. We worked some three or four days, preparing fence material, loaded up and reached home within the week. The Indians suffered some working in the snow, with bare feet, fortunately the sun came out bright and warmed the bare logs, posts and rails; the Indians would work a while in the snow, then step quickly upon some stick to warm their feet. We continued making trips to the woods at short intervals for fence material until the latter part of summer, when we erected our material into a fence. Meanwhile, we had plowed, planted and cared for our young crop.

Thus we fenced and planted about sixteen acres. Potatoes was our principal crop, we had also onions, turnips, cabbages, watermelons and muskmelons. The crop grew well, one part of the fence was weak, and in the fall, the only green feed in the neighborhood, was within my fence, which proved an almost irresistible temptation to the hungry cattle, and that fact was a source of many anxious fears on my part, lest my promising crop should be destroyed by them, and I have to struggle on another year before I should make a success of my farming venture.

The cattle having broken into the field a few times aroused my combativeness to such a pitch, as to cause me to abandon my bed in the house, and with blankets and gun, spend my nights in my field, by that means, I guarded and saved my crop. I did not injure the cattle, only aimed to scare them by the report of the gun, and sting the worst of them with small shot. I kept up this watchfulness, until rains came late in the fall, and started up green feed, after which the stock scattered and annoyed me no more that year.

My first realization from my three years' farming venture, was two dollars paid me for watermelons in September of this year. Fortunately October and November brought to California

a large number of gold hunters, coming both by sea and land; nothing seemed to be craved by the appetites of these people, so much as vegetables, many of them had, or were rapidly approaching the scurvy. They would eat a raw onion or potatoe with as great, and apparent relish, as though it was a nice flavored apple. The result, as I was the only farmer in the territory that had vegetables for sale, I was much sought after by customers from all sides, two wagons came to the farm several times, from the mines, two hundred miles distant and bought loads of vegetables from me, at fair prices.

This crop proved to be worth about eight thousand dollars; but as an early heavy rain sent a flood of water over my field, from a brook near by, and continued so long, that nearly one-half of my potatoes were destroyed before I could secure them, help being scarce. However, what I did gather was a partial compensation for my long struggle, besides my success was gratifying and I put it down on the credit side of my ledger, as a further sum. Thus ended my farming venture of 1849. In the beginning of January, 1850, my brother William came to me by the way of Panama, arriving after a long and perilous journey. He went from New York to the isthmus in a steamer, from the isthmus to Acapulco in a sailing vessel, and from there to San Francisco in a steamer, consuming six months' time on the journey. By the blessing of heaven he escaped the cholera on the isthmus, while his shipmates died by dozens. And he escaped starvation and perhaps a violent death by a fair wind springing up and wafting them safely into Acapulco, at the critical moment when the ship's company were about to turn cannibals and cast lots to decide who should be first eaten. My brother afterwards heard, that as he was more fleshy then others of the company, they were going to make the lot fall on him.

My brother had also been bred to the farm, and was young (about 21) ambitious and very industrious. I received him as partner in my business, we worked and flourished together the next four years, perhaps as no other farmers ever flourished before in America, in so short a time. My experience, my location, my established business, our skill and industry, together with the property I had acquired, all became capital in our hands, and we worked them to the utmost of our ability, know-

ing we were almost the only farmers in the territory that year, there would be sale for all we could raise.

Fortune is said to knock at least once at every man's door. We looked upon this time an opportunity, as fortunes knocking at our door, she found us at home, we opened the door and bid her welcome, and thankfully accepted her offer. We extended our fence, inclosing about 500 acres, we farmed what we could, and let out to two tenants a part of our land to be worked on shares, we supplying the teams, tools and seed. Our crop this year was comparatively large, and the soil being virgin, the product was of good quality, we bought out our two tenants at harvest time, paying them near twenty thousand dollars each for their share of the crops they had raised. Our gross sales this year approximated $150,000, our onions sold for forty dollars per cental, tomatoes three hundred dollars per ton, potatoes one hundred and fifty dollars per ton, and other things in proportion. This crop was not raised and cared for on flowery beds of ease; help was scarce, until harvest time, the fencing had to be obtained at great expense and labor, in proportion, the same as in 1849, and as it was that year, so it was this, some part of the fence was weak, and had to be guarded, myself and brother done the guarding.

Help getting plenty in the fall, this crop was gathered without loss. We established a commission house in San Francisco under the firm name of J. M. Horner & Co., for selling our own and others produce; which served us a good purpose in this and other years. Thus ended our farming venture of 1850, we bought this year one hundred acres of land at the landing on the Alameda river and laid out the town of Union City upon it. An historical fact, I may be permitted to mention here. Sometimes after the mines opened in California, people were so taken with the mines and merchandising, that agriculture attracted but little attention; which is not to be wondered at, as so many reports had gone out to the world that "California was hopelessly barren, purely a mining country." Besides reports had also gone forth of large and sure profit made by mining, and large fortunes by merchandising, besides the overland immigrants arriving in California at the close of the dry season, could hardly be blamed for considering the country barren as everything was then dry, and certainly looked barren. Those arriving by sea,

landing at San Francisco, going up the Sacramento river and crossing the uncultivated plain between the river and the mines, and returning by the same route where no farming or gardening was to be seen. No wonder California's barrenness was reported by these. So extensive did the idea of barrenness spread; that a company was formed in New York, to run a steamship line between San Francisco and the Sandwich Islands for the express purpose of supplying California with vegetables, they sent out a Captain Brown to look for a suitable place somewhere around the bay of San Francisco to construct their landings and depots. On his inspection tour around the bay he stopped at my farm, looked at the crops, then about ready for marketing, he also saw the Agricultural Fair held that year. He returned to New York and reported to his company; but I heard no more about the steamship company that was to supply the people of California with vegetables.

In about three years from that time, California supplied not only her own vegetable wants; but all required for export and for ships, besides millions of pounds perished on the farms and in warehouses, no market for them. Since that year, general farming in California has not been very renumerative, as its resources were great and markets too far away.

So thoroughly was the barrenness of California soils believed abroad, that a gentleman who had seen a report in the Eastern papers of my 1850 crop, was fully convinced that I had the only piece of fertile soil in the State, without it might be a few acres just on the outside of my fence, he thought if he could reach my place before anyone else thought of it, he possibly could secure it. He came overland, drove direct to my house, did not stop at the mines, although he passed them two hundred miles back. So bent was he in reaching my place and at once secure the few imaginary fruitful acres close to and on the outside of my fence. He came with team and prepared to farm. After looking around over the many thousands fruitful acres in Santa Clara Valley, he concluded not to farm, I bought his team, he left, and I saw him no more.

We made extensive preparations for increasing our business in 1851. We bought some excellent farming land near Union City, fenced, built on and farmed it in addition to our home farm. We bought teams (horses, mules and oxen that had cross-

ed the plains), imported agricultural implements from the Eastern States, iron fence and wire for fencing from England. By so doing miles of fencing was quickly, but not cheaply constructed; as each mile cost us over one thousand dollars. This year our crops were large and a ready market was found for all we raised, though at reduced prices from former years, as other farmers had got to work in different parts of the State, and thus the market was better supplied. We bought a steamboat (The Union) to carry our produce to market. This year our gross sales approximated two hundred and seventy thousand dollars. During the fall of this year, Professor Shelton, botanist held in San Francisco the first Agricultural Fair ever held in California. to which I was the largest contributor, and some months after I received the following letter and a silver goblet (the largest premium) from the Professor.

John M. Horner, Esquire. Although you were recently presented with the accompanying testimonial of the public appreciation of your efforts to develop the agricultural resources of California. Yet I cannot refrain from adding my individual congratulations to those so universally accorded by our fellow citizens, if it be but to assure you that I heartly participate in them and fully recognize your right to the title of pioneer in this branch of public industry. Sir, it is true that the premium was not awarded by me personally nor by those who could be influenced by any preferences I may have indicated. But I have the consciousness of knowing that Messrs. Fremont, King, Snyder and Saunders whose pleasing duty it was to select the most worthy of the candidates for the honor, did nothing more than echo the public voice in presenting you with this goblet.

Take it then sir, no less as the evidence of the public esteem, than as proof of my individual regard, keep it, as a memento of successful enterprise and as a pledge of private friendship, and believe that no member of your family, however remote may be his generation from our own but will recognize it as an honorable token of the worth of his ancestor with more pride and pleasure.

Sir, very truly,

Your friend and obedient servent,

C. A. SHELTON,

San Francisco, 30th March, 1852."

This letter is copied here, as a partial confirmation of my own statements.

We extended our agricultural operations in 1852 by purchasing more farming land, fencing and placing tenants upon such as we did not wish to use ourselves, they working it on shares. After planting was over, I sent my brother back to New Jersey on business and he brought out with him my father and mother and all their children and children's children, two of my wife's sisters, and a brother, and some other young people, some twenty-two souls. He arrived home in the fall all safe, and in time to take the place he had left in the firm of J. M. Horner & Co. for selling our large crop now ready for market. We continued our prosperous career, buying more lands and farming them ourselves or letting them out to tenants until our potato crop reached the enormous quantity of twenty-two million (22,000,000) pounds in 1853. We also had this year fifteen hundred acres of wheat and barley, besides cabbages, tomatoes and onions in quantities.

California had not only supplied herself with vegetables this year for the first time; but produced a large surplus which could not be used or sold and was never sent to market.

There being no mill in the State to convert wheat into flour, we built one at Union City with eight run of burrs, at a cost of eighty-five thousand dollars, and ground ours and others grain. The following is the award of the committee on the first flour ever exhibited at an Agricultural Fair in California.

Committee's report on California flour 1853. The undersigned, committee on flour, assembled at the store of Colt and Beals to investigate the eight samples of California made flour exhibited at your (Coln. Warren's) Agricultural Fair in competition for the award of a fifty dollar cup. The committee of three are old New York flour merchants, and have given each of the samples submitted to us their full share of attention. We would premise, that three of the samples were inferior in quality, two defective in color, and for the credit of the mills, should never have been sent to the fair, evidently being made of unsound and inferior wheat. One sample badly bolted, five samples were all of choice quality, and deserving of special commendation, and each worthy of the brand of Extra Family Flour. The committee reduced by careful comparisons and tests, the five samples

marked A. C. E. F. G. down to three C. E. F. and after comparing them for a half-hour finely decided to mix up the three samples into dough, which test reduced us to two samples E. and F. and though unanimous in our judgment that E. was in all respects the best flour, and accordingly decided that that was the premium sample, and entitled fully to the award of a silver cup. We feel convinced that the three are worthy of special mention.

After declaring the award, we proceeded to open the key to the initial, and found that "Horner's Mills" of Union City was represented by "E;" that the "Bernice Mills," J. F. Houghton agent, was "F;" and that "C" represented the "Washington Mills," W. Van Court, of San Francisco; "G" represented the "Happy Valley Mills," Fitch & Co.; and last though not least, "A" represented the "San Joaquin Steam Mills," Calvin Page & Co. proprietors. Since making our award, we have called in a fourth New York flour dealer, and to whom the eight samples were submitted; and we are happy to say that the gentleman without hesitation threw out the three inferior samples as unworthy a place in the exhibition, and of the remaining five samples, his opinion, in all respects, corresponded with our own, which, to himself was a surprise, though to the committee a very satisfactory test, that we had decided righteously. All of which is respectfully submitted.

H. CHANING BEALS.
E. T. PEAS.
WM. S. ALTON.
Committee.

We equipped and run a stage line in connection with our steamer, as far up the valley as San Jose, opened sixteen miles of public road, mostly through our own lands, and fenced the larger part on both sides. These roads have never been changed, save to narrow them to sixty-six feet, we had fenced them one hundred feet wide.

Money and other values increased rapidly in our hands, and having more confidence in banks of earth, than in commercial money banks, we seldom permitted our deposits in the latter to exceed, at any one time, thirty thousand dollars, before we started some enterprise or invested it in real estate, mostly the

latter. However, the unsettled state of land titles rendered investments in land almost as hazardous as depositing in commercial banks, as we found to our cost. Under the administration of Mexican laws, but little trouble would have arisen; but the United States, claimed the right and did oppose all land titles, and required proof of their genuineness to be made before its land commission, reserving the right of appeal to its District Court, in the event, the commissioners decided against the Government, and to appeal again to its Supreme Court, should the District Court decide against it. Thus years of costly law suits, and in some cases ruin to owners of land titles before final settlement. We suffered from the laws delay in settling titles, and from squatters keeping from us by force, a goodly portion of our lands, being encouraged by the Government, to do so; for as long as the Government withheld final confirmation the squatter continued to hold possession, however good the title, no court or jury would oust them from your land. We suffered more mentally and financially during these years from the above named causes, than from all floods and four-footed animals in former years.

When I arrived first at the Mission all the mission lands, outside of the buildings and a small vineyard, was believed to belong to the Government, and it was placed temporarily in the hands of Padra Real, a Catholic Priest, as agent, to him I applied for and did rent a certain piece of land; but when I commenced work upon it, I was met by an Indian, who claimed the right to occupy that land. Upon enquiry of those supposed to know I was satisfied he held a right there; but had no papers. So after that I dealt with him instead of with the priest. I finely bought his claim for six hundred dollars and raised my first paying crop upon this land. Before my second crop was harvested one James F. Reed, a merchant living near me, brought to me a map of this land, and what was claimed to be a provisional grant by Mexico to another civilized Indian. This annoyed me, but as there was no record within reach and rather then risk a law suit, I acknowledged his claim and paid him seven thousand dollars for it. The Indian however when selling to him had reserved to himself a life time right of occupancy; but as he only wished to use a small piece of the land, there was no conflict between us, we lived very friendly, although his house was just

across a small brook about one hundred feet distant from mine. After a few years he wished to leave, and I bought his life right to the land for six hundred dollars. I must testify, according to my belief, that if there ever was a Christian Indian this was one. He naturally seemed to scorn all wrong acts and always tried to do good, anyone wishing to do the fair thing could always get along with him. He was quiet and intelligent much above the ordinary Indian, spoke readily the Spanish language and aped as far as he was able the Spanish people. These qualifications no doubt had their effect upon the Mexican officials when they condescended to make him a grant for four hundred acres of land. After the immigration of 1849 there began to be some hard characters in the country, and acts of violence was frequently reported. He proposed to me one day, "that as there was so many bad men in the country, and as we were friends and neighbors and each had a wife and family to care for, we should each protect the other's family, when either was from home, if I was from home he would look after mine, if he was away I was to look after his," to which I agreed. Upon my return soon after, from a night's absence, he came to me and stated "he had got up three times during the night, and each time went quietly around my house and all being still within, believed all was right, and went back to his own house." He was more honest than I, for I never done so much as that when he was away, though nothing happened to them.

While engaged planting our 1850 crop one Juan B. Alvarado and Andrew Pico, both ex-Governors of California under Mexico, sent an agent who presented to me a title or grant from the Mexican Government to these gentlemen, of the whole ex-mission tract containing thirty thousand acres, including my farm, which I had bought twice already, and wanted to sell me the whole tract. In submitting these papers to lawyers for their examination, their opinion was the grant was a good one. So there was no alternative for us, but to leave, rent or buy, after considerable hesitancy on our part, enquiry and negotiation we in connection with George B. Tingly, a lawyer, and E. L. Beard, a farmer on this same ex-mission land, bought their claim for which we gave our joint notes for forty-nine thousand dollars ($49,000), to be paid at some future time. When the notes matured neither Mr. Tingly nor Mr. Beard were able to meet their share of these obligations. I reluctently paid the money.

Mr. Tingly deeded to me his share of the property, Mr. Beard also offered to deed to me his third interest, but I permitted him to retain it, and he afterwards repaid to me the money I advanced to him. Soon after this grant was confirmed by United States Land Commission and an appeal taken to the United States District Court. While this title was being adjudicated the squatters took possession of much of these lands, particularly those inside our fences, which we were not cultivating. We paid taxes upon the property and built some twenty-five miles of fencing, yet realizing nothing from them, except from those parts we had under cultivation, the squatters alone prevented. Confirmed grants in the lower courts, with good fences, did not constitute either ownership, or possession, according to the squatter's creed of justice and law. Their creed appeared to be "the good old plan," "let those take who have the power, and those keep who can." We purchased nineteen hundred and fifty acres of a confirmed grant of excellent land, bording on the north-western boundary of the Mission tract, and paid for the same, fifty-eight thousand five hundred dollars, we raised our heaviest crops on these lands, fenced and farmed all of them, either direct or by tenants; with the exception of some small pieces envolving only a few hundred acres, the above comprised all our purchase of real estate in what is now Alameda County. California.

Some San Jose City lots and a hotel involving an outlay of nine thousand dollars comprised the extent of our possessions in Santa Clara County.

In 1851-2 we in connection with others purchased what was known as "Potrero Nuevo," comprising 2,100 acres (a Spanish-Mexican grant), now a part of the city of San Francisco. Our undivided share of the property was four hundred and fifty acres, we joined in the expense of surveying and staking out streets and lots upon it. This property was well fenced by the bay, by creeks and a stone wall, the former owner used it for a pasture. This land was soon covered with squatters, contrary to our rights, under our grant and our right of possession as indicated by our fence. They run their lines around large pieces and commenced selling at cheap rates to innocent parties, in small lots and blocks according to the plan we had surveyed and staked them; by which means the squatters and those purchasing from them soon became so numerous, that no jury empanelled to try the case would ever decide the case, however clear the proof.

Soon after this purchase we bought a confirmed grant containing near five thousand acres, and paid for it two hundred thousand dollars. This land is situated just above the last purchase (the Potrero) and it is now a part of the city of San Francisco. We spent considerable money on this land in surveys, fencing and improvements. Some six hundred acres adjoining the city, as it then existed, we laid out in lots, blocks and streets, and made them conform to those already laid out by the city.

We named the streets, which names are still retained, and the property is assessed as situated in "Horner's Addition," and in a separate set of books from other city property. The above includes about all of our real estate purchased in California up to 1854. These lands with our personal effects comprised our property at this time. Our personal property consisted of steamer "Union," costing $18,000; flouring mill, costing $85,000; stage line, warehouse, farm houses, out houses, 30 miles of fencing, costing $900 per mile, farming tools and livestock of good quality and sufficient in number to enable us to plant and harvest our large crops in good season.

From the above showing it may readily be conjectured, that I was a man of note at that time, or at least a man of liberal means, in so young a State as California then was, and among so few people as it then contained. And inasmuch as we had produced this wealth from the soil of a new and untried country, and no charge was ever made, that we had acquired any part of it by speculation, or by overreaching our neighbors in trade. So the credit due us was readily granted by all acquainted with the circumstances.

The present facilities for working in California would render the work done by us, the first years of our farming there, too insignificant by comparison to refer to: but when the situation, the material, tools, animals, and the class of labor we had to use, is considered, it may not look so easy.

The country was in a wild state, not a tree or bush upon the land to be used, fencing to be hauled 25 miles over a natural road bed, bridges, none except what we made ourselves over brooks, rivers and slough. Indians were our first workmen. Thirty miles had to be traveled to get either blacksmithing or milling done, and seventy-five miles to reach a market. The

walls of houses were made of sundried brick, joists and rafters were (in some cases) dragged 25 miles over rocks and gravel part of the way, which wore away much of the stick before reaching their destination; no nails, spikes or hinges were to be had, raw hide must answer instead, sheeting was fastened to the rafters with raw hide and the doors were hung with raw hide hinges in some cases. A cart, even such as high-toned ladies (Spanish) often rode in (and there was no dispute about their being ladies, educated, and with the manners and politeness of a Chesterfield), were made entirely of wood and raw hide, no nails, spikes, rivets or bolts were to be had for the purpose. The wheels were hewn out of solid logs, the spokes, hubs, felloes and tire were one piece, the wheel left a track on the ground when in motion, six or eight inches wide, and was from two and one-half to three and one-half feet high, the frame of the body was made of hewn timber, as was the axle-tree, the stakes were round poles about six feet high with other poles lashed horizontally to the stakes with raw hide strings, a bullock hide laid on the bottom, answered for bottom boards to the cart and another stretched tightly across the top of the stakes served as a sunshade, sometimes the inside was lined temporally with costly red blankets, which made the inside look nice and cosy. The ox yokes were without bows, made of a straight stick three by six inches square, five and one-half feet long, straight with the exception of a small curve near each end to fit the upper part of the oxe's neck near the horns. This stick was lashed to the head and horns of the ox, just back of the horns, by a long strip of raw hide one and one-half inches wide. A substitute for ox chains was raw hide. Fences were made of stakes set in the ground and poles lashed to them horizontally with raw hide. The usual way of driving two or more yoke of oxen was, one man on horseback to lead and stop the team when required, two more men on horses, one on each side equipped with a long sharp stick to punch up the oxen, and make them follow their leader, and one in the cart, also armed with a sharp stick to prick up the rear span, should they require it. To turn the team to the right prick or scare the left hand ox to make him step ahead of his mate, this turns their heads to the right, as the yokes being tightly fastened to their heads, when one's head turns, both heads turn.

The rich, although worth many thousands of dollars could

not, or at least did not, ride in carriages, there was no carriages or horses broken to draw in harness in those primitive times in the territory. The Indians were the principle mechanics, they made the carts, saddles, shoes, houses and did most of the agricultural labor. We did not only produce the wealth above referred to from the elements; but at least double that amount had been produced by us, which we had paid away for labor, material and other expenses. After 1849 good farm laborers commanded seventy dollars per month and board, mechanics were proportionally high. We employed many of all classes, some employed by us were saving of their earnings, and thus laid a foundation for the fortunes they afterwards acquired.

The position I held in the community at this time made me much sought after as an endorser of notes, a signer of bonds and a loaner of money to the impecunious. As I had been raised in a purely rural District of New Jersey and unacquainted even in theory with the "tricks of trade," the evil effects of note endorsement or loaning money without adequate security, I loaned and endorsed freely, hoping to do good thereby. I have no recollection of refusing anyone who asked for an accommodation or requested to have their note endorsed up to and including 1853.

Our prospects at this time were bright and our property ample to gratify every wish, and yearly increasing, and as I nor my brother either ever drank, smoked, gambled or dissipated in any way, no cloud of doubt ever crossed our mental visions, that our property should not always continue to increase, as we attended strictly to business. Our crops were large this year, we viewed them as ample to pay every endorsement and every obligation we had out, as well as to pay the expense of harvesting and marketing them. Our property was unincumbered, our business large and in full operation.

Such was our possessions, prospects and position when the first wave of money panic struck California, and swept over America with such disastrous results from 1853 to 1859. It is said that during two months in 1857 in New York, discounts at the bank fell off $24,000,000, deposits $40,000,000, interest went up to 36 per cent. per annum, and six thousand failures, involving an indebtedness of $300,000,000. Yet how small is this large sum, when compared to the direct and indirect loss endured

by the whole people during these years of panic. The breaking up of business, the depreciation of property, the enforced idleness of labor and machinery and the check to enterprise, all combined to make up a loss impossible to compute; besides the above, the heartache and mental anguish arising from loss of business and property. Men of families, wealth and enterprise driven from their homes and reduced to poverty, and in consequence on the Pacific Coast, self destruction was resorted too, to end their misery; some poisoned themselves, some shot themselves, some went crazy, etc.

The sum of this suffering was great and should be reckoned with the pecuniary losses; all of which were brought on the people by our imperfect currency laws, which caused the panic. This loss cannot be measured by dollars and cents, no power but the supreme can take account of the sufferings of the human heart. Upon the first appearance of the panic on the Pacific Coast, business began to shrink, property decreased rapidly in value, money gradually withdrew from circulation, business failures were frequent, larger interest was exacted for the use of money, more property was demanded as security for a given sum, laborers were turned adrift by thousands (some becoming tramps, families of the less fortunate) doubled up, that is, two or more were compelled to occupy one house in the towns, which before was hardly thought ample for one, and squeezed along with scant clothing and still scantier food. At the same time thousands of tons of farm products were never sent to market, no sale, good potatoes ten cents per bushel, but there was no ten cents, all this happened in the Golden State where millions of gold and silver were dug from the mines every month, and tons of it were hoarded in banks and treasury vaults, gloated over and worshipped, a man with a few hundred dollars in gold coin was independent, while the owner of property that cost thousands of gold dollars, was hard up and in many cases let it be sold for taxes, and never redeemed it, so worthless was property considered during the pinching part of the panic, many with ready money, held it for purchasing properties at these depreciated rates. Later money could not be borrowed on real estate, but real estate could be bought under the sheriff's hammer for one-fourth, one-sixth, etc., of what the property was worth a few months before. These are facts, brought upon the country by

its imperfect, cruel currency laws. I am writing from memory but these things are indelibly engraved upon my mind. I was an active participant, I may say an acute sufferer in those scenes.

The large endorsements above referred to, now came on to be paid by us, and as endorsement creditors were exacting, money must be had, products yielded no surplus in these panicy times from which we could draw; we for the first time commenced mortgaging our property and at this time money was not to be borrowed in San Francisco on our San Francisco real estate. We did however succeed in mortgaging it to C. K. Garrison for $50,000, interest 4% per month, compounded monthly and payable in advance. He drew on New York, we received the money there.

This $50,000 was about one-sixth of the amount we had paid for the property and the improvements, but it was enough, as it swept away the entire property. Thus slipped from us $250,000 Our $18,000 steamer went for $7,000 to pay an endorsement creditor. In parting with our $85,000 flouring mill we did a little better but the panic continued so long and was so heavy upon property the purchaser sold it for $5,000, this property had been depreciated $80,000 by the panic. The San Jose Mission lands that had cost us $70,000 including improvements went from us for an endorsement debt of $10,000. However the squatters had done as much to render this property of little value as the panic. Our home farm of 1000 acres which we had purchased four times went off for an endorsement of $7,000.

How our other property went I am not clear, only on one point, that is, it left, houses and lands, horses and cattle, and farm products at the depreciated rates, effected but little in paying endorsement or other debts running at a high rate of interest, compounded monthly, with the addition of sheriff's and lawyer's fees and court expenses.

Property was so seemingly valueless no creditor wanted it, it was *money, money* and nothing but money was wanted, and money was not to be had. It had ceased to circulate except to a limited extent. Although my endorsements did not exceed $40,000 the high rate of interest compounded monthly and other expenses forced from us over $70,000 before they were fully satisfied, and that was paid by the sacrifice of property sold at one-sixth of what it had been worth the previous four years. Prop-

erty costing us $280,000 in gold coin was swept away to pay a forty thousand dollar endorsement. If the payment of the endorsed notes had been exacted before the panic, we could have paid them without embarrassment, in fact, had the panic not come the endorsed notes would have been paid by their maker, as he had ample means before his property was rendered almost valueless by the panic.

The above briefly shows how the property referred to was produced and approximately how it was rendered almost valueless by that curse to enterprise and industry, a money panic. We had no fears nor thougths that the laws and customs of our country, that forces all business done with money, all taxes, tariffs, debts and dues to be paid in money had not provided amply the money necessary for doing the business of the country, even should private parties hoard theirs; but by bitter experience we have learned different. Our comparatively large property was swept from us so quickly as to be bewildering.

Had we been caught in the stock market or been spendthrifts gamblers, idle and dissipated, our property would not have left us more surely and more quickly. Yet the difference is wide in principle between the way ours left us and the way property may leave the gambler; while the latter brings the evil upon themselves, they are brought upon the industrious and enterprising, by the government shirking a confided duty, and thus opens the way and renders possible money panics. A hint of its evils may be seen in the foregoing pages. Had I not been burdened by endorsements I should still suffer, by the breaking up of my large business, and I was only one of a class, numerous all over the country. How cruel! Oh, how cruel! in our Government to leave the country subject to the curse of money panics, when a simple law would prevent it.

The money system outlined in this book if adopted would render money panics impossible. The above losses and suffering stimulate the production of this book, had I a good cause to labor for. Incidently I will remark that as afflictions seldom come single, it did not in my case, as aside from the loss of my property I was otherwise afflicted. My only daughter sickened and died while my property was being confiscated. I was personally afflicted, a lock-jaw set in with a heavy fever, which lasted for a long time, my life was despaired of by my physicians and friends.

An unexpected favorable change took place; but my recovery was slow and my sickness left me with but little use of my legs; and for weeks I used a crutch when moving around, I stated in the commencement of this narrative that "my star of hope rose early and had never set beneath the horizon." At this time it nearly went down, I finally regained my strength after months of mental and physical suffering and with it came slowly back my ambition, for all of which I am humbly thankful to my Heavenly Father, not for these only am I thankful, but as in the case of Job I have been blessed again with health, wealth and an influence beyond my most ambitious anticipations and last though not least have been blessed with more sons and daughters. I have lived longer since my loss and suffering than I had before those troublesome times. I was granted a new lease of life by the Great One, and for a purpose not known to me.

However, in the absence of any other more worthy visible object, I have thought perhaps it was required of me to show many of the evils resulting from our present money systems, and invent, work out and make known a more perfect way. Whether this is a correct surmise or only a welcome thought, the endeavor to perform it has a been delightful labor. Inventions of various kinds, improvements of machinery, plantation cares, schools, temperance, politics, my duty as a legislator in the formulation of what I consider good laws, and preventing the enactment of bad ones, and other objects have in turn occupied my mind, but none was ever clamoring for consideration so persistently as this money system. It has been impressed upon my mind with a persistence not to be ignored and I have willingly accepted the charge and expended some money, and much time and labor upon it.

It is well, perhaps, that a part of the burden of the great question of money supply should rest upon one that had suffered, thereby qualifying him more perfectly for the work. So my property and business leaving me at the same time, gave me opportunity for reflection as to why and how my property had left me without my consent. I learned by studying the question that it was our imperfect money system that had caused the trouble, that money panics were of frequent occurrence in times past, that their evil effects were wide spread and very disastrous, that I was only one of a numerous class that had suffered in this

particular panic, which in connection with the 1873 panic, caused me to think long and deep as to the cause and cure of money panics. I readily satisfied myself as to the cause, but the remedy was not so easily arrived at. This book is the result of my labors. I verily believe the system herein outlined is constitutional, that no money panic can ever occur in any country where this system is in operation and we think all must believe the same who reads and mentally digests its contents.

The loss of my property placed me financially where I had commenced seven years before, as nothing of much value was saved from the wreck, except my experience, my prospects even were dark, cloudy and discouraging. I gave up my carriage team and my watch from my pocket, and commenced physical labor again to support my family. I did the best I could, the panic ceased, and its evil effects wore gradually away from the country. I rented my old homestead and after a time bought it again, this making the fifth time I had purchased it, the paying for it was slow work.

One of my first ventures after recovery from my sickness was the building of a bridge over the Alameda river, under a contract with the county. I saved over three hundred dollars out of the job. I contracted to drain a small lake in the neighborhood, got well paid for my labor, as in both cases I personally did much of the labor. The owners of a piece of land in San Francisco not having a clear idea as to their title to it, offered us (my brother and myself) a share of what we could get out of it, if we would work it up; we got several thousand dollars for this labor. About this time we had an extra dry year in California, not enough rain fell to mature a crop, and believing vegetables would be a paying crop in the Fall, we looked around for an opportunity of producing one and finding Alameda River Mill was idle and likely to remain so for sometime, having no grain to grind, and in consequence the water rolled into the bay unmolested. We rented the use of the water and some land near by, made our ditches and in June commenced to wet, plow and plant a crop of vegetables, mostly potatoes. From this venture we (my brother and myself) realized some seven thousand dollars. So by little we regained our feet; but meeting with loses in other farming ventures from rust, drought, unsaleable crops and other

causes, our progress was slow, in fact rather backward the last few years we remained in California.

In 1879 my brother and I made a contract with Mr. Claus Spreckels to go to the Sandwich Islands and cultivate sugar cane for him on shares. In fulfillment of this contract we sold our farms, chartered a schooner and placed therein our families, 18 souls; our household effects, our horses and farming tools, and started for the Islands, where we arrived on the 25th of December, 1879. We landed on Maui this time, it being a different Island from the one we had stopped at on our wedding tour thirty years before. The schooner quickly discharged and we commenced hauling our lumber which we had brought with us for building our houses on the land we were to use, about six miles distant. We erected our houses and soon commenced our plantation work. We had 500 hundred acres of land alotted to us. My brother and sons worked the western half, I and my sons the eastern half, under the firm name of "J. M. Horner & Sons." My boys did all our plowing and team work in preparing for planting and growing our first crop of 240 acres.

From the time we commenced preparing for planting until we got returns from the sale of our sugars two full years rolled away. In consequence of our planting a much larger area than we contracted to plant the first year J. M. Horner & Sons borrowed $40,000. Our crop did well, exceeded our expectations in both yield and the price for which it sold. We returned the borrowed money with the interest and had a net profit from our venture of $25,000. Mr. Spreckles could not let us have any more land to cultivate, and as 250 acres was rather a small plantation for five able men to superintend, seeing it only required replanting once in four years, and further, Mr. Spreckels' superintendent did not want any planters on the plantation, he preferred doing the planting as well as the milling. So I and one of my boys went prospecting around the Island of Maui, finding nothing encouraging there I and another boy went prospecting on the Island of Kauai, openings for cane planting such as we were looking for we did not find on that Island. We also prospected the cane belt on the large Island of Hawaii. Here we contracted with owners of the Pacific Sugar Mill Co. to do one-half of the planting for their mill, and one of my boys took charge of the business. Here we made considerable sugar, increasing

the yield on our half of the plantation from 500 tons per year to 2,000. We had accumulated there a property we valued at $150,000, but the "McKinley Bill" so effected sugar property here we sold it willingly for one-half of that sum.

On this same prospecting tour we rented 1,250 acres (since increased to 2,000) of good wild cane land, with a view of starting a new plantation. This was rather a discouraging work to undertake, as the land, though rich, was covered with a jungle of tress and brush and had all to be grubed and cleared before it could be used, at an expense of $33 per acre. Besides habitations for superintendents, quarters for 150 or 200 laborers and accommodations for more than half of that number of horses had to be provided, as well as the horses themselves, and plantation tools, roads, bridges, (a wagon wheel had never yet turned upon the land), fencing and mill had all to be built, as well as raising the cane.

The building of the mill and bringing the plantation up to a paying point would involve an expenditure of over $300,000, to provide this sum was no small concern, as our own means were small when compared to this sum. However, our unprecedented success in making our first crop gave confidence to people of means that whatever we undertook in the way of cultivation would be a success. So we readily found means to carry on the planting department of the plantation. A gentleman contracted with me to build the mill, he to own one-half when built and we the other half provided we repaid to him one-half the cost of its construction, with the interest within a specified time. The mill was accordingly built at a cost of over $180,000 and we returned his money as agreed, and thereby became the owners of one-half of the sugar works and all the planting interest, which gave us three-fourths of all the sugar manufactured at the works. With the exception of four half dry years our crops have been good and sometimes excellent.

Not wishing to carry all our eggs in one basket we have running in connection with the plantation a cattle and horse ranch, where we raise all the horses required on the plantation and some for sale. There are 400 head of horses and mules on the ranch, besides those used on the plantation, over 2,000 horned stock and 200 dairy cows. So the plantation and neighborhood is supplied with butter and beef from the ranch, and we dispose of

the surplus fat stock elsewhere. The past few years we have invested a few thousand dollars in the cultivation of coffee, which is already a paying venture.

I served as a member of the Board of Supervisors in Alameda County, California, and two sessions as Noble in the Hawaiian Legislature.

RETROSPECTION.

Had my crop of 1849 failed, California no doubt would have been at least one year longer supplying itself with vegetables, particularly potatoes, as I had all the potatoes that were raised in the State that year, and if my farming venture had failed this year, as it had the two previous years, there would have been no seed for planting in 1850, or had I not been in the State how long it would have been before some one would have produced the first crop, is a question difficult to answer. Yet a first crop seemed necessary to give confidence in the business. A few people came to look at my first crop; but it was too small to attract much attention. After my second was produced others began to take hold of the business in a small way. Our third crop wrought wonderful changes in the minds of some mechanics, sea captains, lawyers, college professors and other classes, went into the farming business, but unfortunately for them, by the time they got fairly under way the bottom dropped out of the market and most, if not, all, lost their money and labor.

Despise not the day of small things. I may truthfully state I never looked back with regret over my California losses. I did for a time harbor resentful feelings against some that had aided in my financial ruin, and seemed to gloat over the fact that I had been brought down from what they thought my high position.

No one that must depend solely upon himself for success should despise or shun the day of small things, but "strike out unaided, depend on no other." "Strike and keep striking, till you hit the right spot." "Perserverance captures the game." I never looked upon myself as a pauper, I always endeavored to keep myself employed, when I could not do so I worked for others. One time out West in order to find some thing to do I worked for nothing for a short time and found myself. (It was

however, a donation to a church.) I did this partly to get acquainted with the contractors and those who had work to do; that I could get acquainted with them and they with me, we were all unacquainted with each other. I wanted to show them that I was on the work. I had some money with me, but preferred to work and keep it than do nothing and get short. I soon found all the work I wanted, my last work there paid me four dollars per day.

To show the importance of looking after and husbanding small things I will relate an item. In the summer of 1845 I was boarding with my father and teaching a district school. In his corn field were sharp corners and crooks in his fence, leaving a few square feet of land here and there, which he could not cultivate with his teams and consented that myself and brother could dig it up and plant potatoes in it for ourselves, which work we did mornings and evenings so as not to trench upon our daily duties. Little did we think that seven years from that time we would have raised and sold for gold coin one million dollars' worth of potatoes in a strange country three thousand miles away. We did not anticipate much of an income from what we were then doing; but it was exercise and a lesson for us, as it was the first time we had ever attempted to produce wealth from the elements, working under our own dictation. Producing wealth from the elements has been our occupation since, and several millions besides the one referred to above has been produced under our superintendence. 150 men was about the extreme number employed by us at any one time in California, here the average has been nearly double that number. The point I wish to make is, we raised some potatoes, dug and buried them to protect them from the winter's frost. They were yet under the frozen ground in January, when I was ready to start for California, I sold my share of them for five dollars. When I got to New York I added two dollars to the five and bought a Colt's six shooter pistol. I was told "you are going to a country occupied by savage beasts, and still more savage men, and you must go armed to protect yourself."

When I got to California it was in the throes of a revolution, a war was raging between the United States and Mexico. I carried my rifle and pistol wherever I went prospecting, but seeing no one I wanted to shoot and no one wanting to shoot

me, I concluded my pistol was useless and traded it to a Spaniard for a yoke of oxen, (the first animals I ever owned) and with them I plowed for and planted my first crop of vegetables in California. From this small beginning grew the large business referred to.

Five dollars' worth of potatoes in New Jersey was a small capital for starting a large farming business in California, but it had its effect in helping me to a yoke of oxen. If I had idled away my mornings and evenings I would have had no potatoes; no potatoes, no five dollars; no five dollars, no pistol; no pistol, no oxen; no oxen, no plowing and experimenting in 1847 and '48, and perhaps the foundation would never have been laid for the large business I afterwards built up. A young man starting out to hew for himself a character and a fortune without assistance must not despise the day of small things, for small renumeration he must be willing to accept, or even no renumeration at all until better opportunities present themselves; he should be humble enough to pick up, earn and save the pennies.

It is his school days, the doing things in a small way may be the means of qualifying him for handling a large business if it ever presented itself. The valuable superintendent is the one who understands and works up the details of the business, and if the details are neglected success is uncertain. Had I not saved my small earnings it is doubtful of my ever having been able to prospect in the West or pay my way to California, and after I got to California had I been unwilling, or from lack of the necessary qualifications unable to handle the plow and guide the team myself, and work on alone under disadvantages and discouragements, I may then have been from home when fortune knocked; but I was there ready when she knocked, took hold at her bidding and went my way rejoicing.

After my first success others followed my plows, worked my teams, planted, harvested and marketed my crops, made my irrigating and draining ditches, built my buildings, fences, etc., as I directed. My business was large, but I never employed a superintendent. I kept hold of my business, bossed it and, in fact, was absolute monarch. My first year's struggles I worked with my head and hands against great odds; but it was the struggle that made possible my after achievements, which as elsewhere stated, proved perhaps, the most prosperous farming venture from so small a beginning, in so short a time ever re-

corded in America up to that time. It must be remembered that the wealth referred to above was all produced from the elements, by subduing the earth and making it yield up its treasures to us.

This may encourage some young men who are compelled to work their own way in the world, not to get discouraged, wilt down and think themselves paupers, as did the young educated Hawaiian referred to in the beginning of this narrative.

If you have health, strength and youth at command, you are in possession of the most valuable earthly blessing possessed by man. They are blessings that scores of people would willingly pay you a million dollars for if you could deliver the goods. But fortuately this kind of wealth cannot be bought, or sold; and if you properly use it, every earthly comfort is within your reach. Don't be afraid of working yourself to death, "Rust consumes faster than labor wears." If hard work of head and hands was killing, I should have been dead at least twenty years ago, instead of now being hale and hearty at the age of seventy-seven.

Young man husband your present wealth, don't destroy or waste it by smoking, chewing, drinking, gambling or other dissipations as these all consume your wealth of time, health and strength and your acquired wealth to gratify them, when you gratify them long enough you then may in truth be a self made pauper.

Senator William Y. Horner who died in Lahaina, Maui, Hawaiian Islands, on the 21st February, 1898, is the brother named all through this brief biography. He was born October 21st, 1827. He was one of the most industrious, level-headed, trusty and honest men that has ever been my lot to know. His word was as good as his bond.

JOHN MEIRS HORNER.

Kukaiau, Hawaii, Hawaiian Islands, March 12, 1898.

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